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Situation of human rights in the Islamic Republic of Iran

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran, Ahmed Shaheed, submitted in accordance with Human Rights Council resolution 25/24.

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Report of the Special Rapporteur on the situation of human rights in the Islamic Republic of Iran

Summary

The Special Rapporteur submits the present report pursuant to Human Rights Council resolution 25/24. He presents developments in the situation of human rights in the Islamic Republic of Iran since the submission of his previous report (A/68/503) in October 2013. Although the report is not exhaustive, it provides a picture of the prevailing situation as observed in the preponderance of reports submitted to and examined by the Special Rapporteur.

I. Introduction

1. The human rights situation in the Islamic Republic of Iran remains of concern. Numerous issues flagged by the General Assembly, the United Nations human rights mechanisms and the Secretary-General persist, and in some cases appear to have worsened, some recent overtures made by the Administration and the parliament notwithstanding. Those made by the latter include amendments to the Islamic Penal Code and the Criminal Procedure Code, elements of the charter of citizens' rights proposed by the Administration in September 2013 and the country's recent ratification of an additional International Labour Organization convention.

2. Various laws, policies and institutional practices continue to undermine the conditions needed for the realization of the fundamental rights guaranteed by international and national law. Some draft laws also appear to further undermine the rights to freedom of expression and association and markedly compound discrimination against women by further eroding their protection from forced marriage and rights to education, work and equal wages.

3. In 2013, the Islamic Republic of Iran submitted periodic national reports to the Committee on the Rights of the Child and the Committee on the Rights of Persons with Disabilities, demonstrating some cooperation with human rights mechanisms. Cooperation remains elusive, however. The Government has responded to 40 of the 69 communications sent by thematic special procedures mandate holders and the country-specific mandate holder on a number of cases and developments, including requests regarding the impact of economic sanctions, and six requests for visits to the country, most recently in January 2014. The Special Rapporteur is, however, encouraged by recent attempts by officials to enter into dialogue with him and the international community and looks forward to opportunities for collaboration.

4. Six press statements have been issued by the Special Rapporteur since October 2013, five of which were joined by other special procedures mandate holders, on concerns relating to, among other things, the application of capital punishment, political prisoners and discrimination against women and members of ethnic minority groups.

5. Between 1 January and 30 June 2014, interviews were conducted with 118 individuals: 22 were located in the Islamic Republic of Iran, 54 were located in Turkey and 42 were interviewed during a fact-finding mission to Sweden, Austria and Italy from May to June 2014. In preparing the present report, the Special Rapporteur examined existing laws, draft legislation, government statements and reports, reports from civil society, news reports emanating from inside and outside the country and the Government's reply to a draft of the present report.

II. Civil and political rights

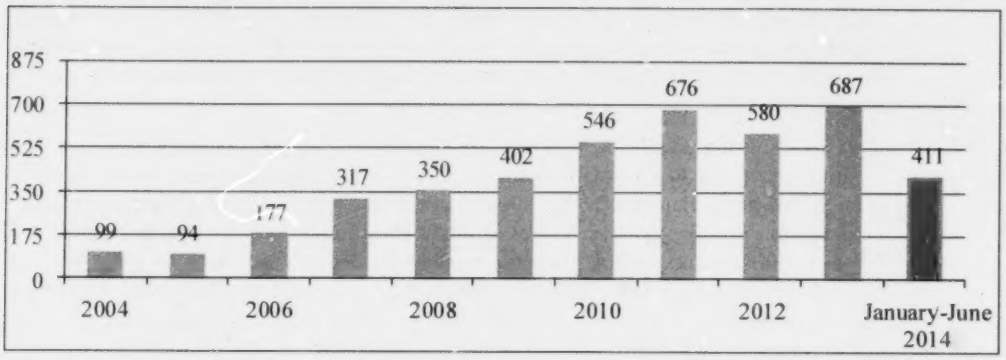
A. Right to life

6. In 2010, the Government accepted three recommendations relating to the death penalty made during the consideration of the country by the Working Group on the Universal Periodic Review: to reconsider the inclusion of apostasy, witchcraft and heresy as capital offences; to consider the abolition of juvenile execution; and to

respect the minimum standards and provisions set out in the International Covenant on Civil and Political Rights and the Convention on the Rights of the Child concerning the death penalty (see A/HRC/14/12).

7. Between July 2013 and June 2014, at least 852 individuals were reportedly executed (see figure I),[1] representing an alarming increase in the number of executions in relation to the already-high rates of previous years. The Government also continues to execute juvenile offenders. In 2014 alone, eight individuals believed to be under 18 years of age at the time of their alleged crimes were reportedly executed.[2]

Figure I
Executions in the Islamic Republic of Iran, 2004-June 2014



8. The new Islamic Penal Code that entered into force in 2013 now omits references to apostasy, witchcraft and heresy, but continues to allow for juvenile executions and retains the death penalty for activities that do not constitute "most serious crimes" in line with the safeguards guaranteeing protection of the rights of those facing the death penalty (see Economic and Social Council resolution 1984/50). They include adultery, recidivist alcohol use, drug possession and trafficking and some crimes resulting in convictions for *moharebeh* (commonly translated as "enmity against God", but translated by the Government as a crime in which "a person brandishes or points a weapon at members of the public to kill, frighten and coerce them") or *mofsed fel-arz* (corruption on Earth).

9. The execution of individuals for exercising their protected rights, including of freedom of expression and association, is deeply troubling. Members of ethnic minority groups, in particular those espousing ethnocultural, linguistic or minority religious rights, appear to be disproportionately charged with *moharebeh* and *mofsed fel-arz*, sometimes seemingly for exercising their rights to peaceful expression and association.

10. Four cultural rights activists from the Arab minority community, Hashem Sha`abani, Hadi Rasehdi, Ali Chebeishat and Khaled Mousavi, were executed in

[1] Iran Human Rights, "Annual report on the death penalty in Iran 2013". Available from http://iranhr.net/wp-content/uploads/2014/03/Rapport-iran-2014-GB-030314-bd-e.pdf.

[2] Amnesty International, "Iran: youth at risk of hanging amid disturbing rise in juvenile executions", 15 July 2014. Available from www.amnesty.org/en/news/iran-youth-risk-hanging-amid-disturbing-rise-juvenile-executions-2014-07-15.

2014. The executions of several Sunni Kurdish activists, including Jamshid Dehgani, Jahanghir Dehgani, Hamed Ahmadi and Kamal Mollaei, are also reportedly imminent.

11. The possible imminent executions of Reyhaneh Jabbari and Razieh Ebrahimi are also of concern. Both women were convicted of murdering men who they allege physically and/or sexually assaulted them before or during the incidents in question. The Special Rapporteur reiterates his previous call, issued jointly with other special procedures mandate holders and reiterated by the United Nations High Commissioner for Human Rights, to stay the executions officially.[3]

12. In its response to the present report, the Government maintained that due consideration should be given to the country's geographical location on a drug trafficking route when discouraging its use of capital punishment. It also denied allegations that ethnicity plays a role in the administration of justice, claiming that the aforementioned Kurds and Arabs who were executed had been found to have stockpiled weapons and carried out violent attacks. The Government also refuted reports that several juveniles had been executed for drug-related offences, stating that only minors charged with intentional homicide are subject to capital sentences and that a reconciliation commission attempts to dissuade victims' families from seeking *qesas* (retaliatory execution) whenever possible.

B. Independence of judges and fair trial standards

13. Concerns at the excessive use of capital punishment are compounded by the frequency of reports alleging violations of national and international fair trial standards. In its response to the Special Rapporteur's concern about the independence of the judiciary, the Government maintained that national laws safeguarded the independence and impartiality of the judiciary and that supervisory organs ensured compliance.[4]

14. Nevertheless, several government officials have recently noted the apparent undue influence of the security apparatus on the judiciary. In February 2014, for example, the Special Assistant to the President for Ethnic and Religious Minority Affairs, a parliamentarian from Tehran, maintained the importance of cooperation between other branches of government and judicial officers in the administration of justice, but underscored that "we have witnessed the security apparatus, from the position of strength, putting the judge under pressure to steer the trial in the direction that they want".

C. Freedom from torture or cruel, inhuman or degrading treatment or punishment

1. Torture

15. During the consideration of the country by the Working Group on the Universal Periodic Review in 2010, the Government accepted nine recommendations on prohibiting and investigating torture or other cruel, inhuman or

[3] See www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=14509&LangID=E.

[4] See http://shaheedoniran.org/wp-content/uploads/2014/03/IRI-Response-to-2014-HRC-Draft-Report.pdf.

degrading treatment or punishment. They included establishing effective complaint mechanisms and taking measures to ensure the prevention of such violations in the future (see A/HRC/14/12).

16. Continuing reports regarding the use of psychological and physical torture to solicit confessions indicate the widespread and systematic use of such practices. Of the 24 Iranian refugees in Turkey who provided testimony for the present report, 20 reported torture and ill-treatment and 16 psychological abuse, such as prolonged solitary confinement, mock executions and the threat of rape, along with physical abuse, including severe beatings, use of suspension and pressure positions, electroshock and burnings. Reports of amputation and corporal punishment (e.g. flogging), which are considered incompatible with article 7 of the International Covenant on Civil and Political Rights, were also received.

17. The Government responded to the above allegations by recalling the legal and institutional safeguards against torture. It noted its investigation and adjudication of allegations of torture in 2009 and maintained that the number of complaints had dropped considerably since steps were recently taken to enforce the law. The Special Rapporteur looks forward to receiving and examining any statistical information that the Government can provide that may further elucidate the number of complaints received annually and the rate of prosecution and conviction of alleged perpetrators. Allegations regarding the use of torture to extract confessions that are then used as evidence in trials were not addressed in the Government's reply, but the Special Rapporteur looks forward to opportunities to engage on the matter further.

2. Domestic violence

18. Some 66 per cent of Iranian women have reportedly experienced domestic violence.[5] The legislative framework remains insufficient to combat such violence. In addition, inadequate social service provisions challenge the State's ability to provide safety and redress for victims.

19. For example, laws continue to explicitly allow for non-consensual sexual relations in marriage. There are insufficient safe houses for women in need of refuge. A woman wishing to leave an abusive situation must also first prove that there is a significant risk of bodily harm or a threat to her life and safety in order to reside apart from her husband. Likewise, under the Civil Code, women seeking to obtain a divorce as a result of domestic violence must first prove that the abuse was intolerable (*osr va-haraj*).

20. In response to the above, the Government maintained that domestic violence was a capital offence and noted that draft legislation to legally define all forms of domestic violence was currently being considered.

D. Freedom of expression and the right to information

21. The Islamic Republic of Iran accepted 13 recommendations regarding freedom of opinion and expression during its consideration by the Working Group on the Universal Periodic Review in 2010. They included recommendations to amend laws

[5] "Warning on rise in domestic violence", Payvand Iran News, 30 August 2009. Available from www.payvand.com/news/09/aug/1264.html.

to uphold the internationally guaranteed rights of free speech and a free press and to guarantee the protection of civil and political rights for all, in particular dissidents and members of minority groups (see A/HRC/14/12). The Human Rights Committee also expressed concern regarding freedom of expression, monitoring of Internet use and content, blocking of websites carrying political news and analysis, slowing down of Internet speeds and jamming of foreign satellite broadcasts by the Government (see CCPR/C/IRN/CO/3, para. 27).

22. Recently, several high-ranking government officials have made public statements in support of increased press freedom. They called for a relaxation of censorship in favour of an environment wherein healthy criticism would be tolerated and encouraged.[6] Nevertheless, laws and policies continue to place overly broad restrictions on the rights to freedom of expression and access to information. The Press Law (1986) continues to restrict content that is prejudicial to Islamic codes or that might damage the "foundation" of the Islamic Republic, offend government officials or religious figures or undermine the Government's definition of decency.

23. In its response, the Government maintained that the Press Law outlawed only "criminal" activity and that, while a few journalists had been detained, thousands of others were freely practising their profession.

24. At least 35 journalists are currently in detention in the country. Reports continue to allege harassment, interrogations and surveillance of many others.[7] On 10 November 2013, two journalists, Masoud Kordpour and Khosro Kordpour, were convicted of "gathering and colluding against national security" and "spreading propaganda against the system" for such journalistic activities as conducting interviews with the foreign media about the situation of human rights in Kordestan Province.[8] They were sentenced to terms of imprisonment of six and three and a half years, respectively, at a trial that allegedly failed to meet fair trial standards. In November 2013, the Working Group on Arbitrary Detention classified the detention of the brothers as arbitrary and called for their unconditional release. A group of special procedures mandate holders also raised this concern with the Government through a communication.

25. Between June and August 2014 alone, several journalists, including Saba Azarpeik, Mehdi Khalazi, Mashallah Shamsolvaezin, Jason Rezaian and Yeganeh Salehi, were arrested and three others, Reyhaneh Tabatabaei, Mahnaz Mohammadi and Marzieh Rasoulis, were summoned to begin serving prison sentences.[9] Several others, including Seraj Miramadi, Farideh Shahgholi and Hossein Nourani Nejad, received new prison sentences during the period.

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[6] "Iran's Rouhani defends 'freedom of press with responsibility'", *Daily Times*, 9 March 2014. Available from www.dailytimes.com.pk/region/09-Mar-2014/iran-s-rouhani-defends-freedom-of-press-with-responsibility.

[7] Committee to Protect Journalists, "Iran, Syria, and Somalia top countries that journalists flee", 18 June 2014. Available from http://cpj.org/2014/06/iran-syria-and-somalia-top-countries-that-journali.php.

[8] Amnesty International, "Iran: jailed journalist brothers sentenced", 13 December 2013. Available from www.amnesty.org/en/library/asset/MDE13/056/2013/en/3d14e2eb-d511-44e6-9bd2-0f8e1f75c592/mde130562013en.html.

[9] Committee to Protect Journalists, "The 2009 Iran crackdown continues today", 8 July 2014. Available from http://cpj.org/blog/2014/07/the-2009-iran-crackdown-continues-today.php.

26. The managers of the company that owns the website Narenji, Ali Asghar Honarmand, Abbas Vahedi, Alireza Vaziri, Nassim Nikmehr, Maliheh Naghaei, Mohammad Hossein Mousazadeh and Sara Sajadpour, were sentenced in December 2013.[10] It was maintained that they were involved with foreign media networks and intelligence agencies, including BBC Persian and MI6. On 20 June 2014, officials announced sentences of between 1 and 11 years of imprisonment for 11 other individuals for allegedly "designing sites, websites and creating content for media hostile to the regime".[11]

27. Recent cases regarding several other Internet users underscore a pattern of continuing general repression of freedom of expression and, in some cases, freedom of movement. In May 2014, eight Facebook commenters were sentenced to a combined 123 years in prison for blasphemy, insulting the Supreme Leader and spreading propaganda against the system, among other charges, for criticizing government policies, supporting political protests and participating in social satire and other alleged activities on Facebook.[12] For example, a dual British-Iranian citizen, Roya Nobakht, was reportedly arrested at the airport when she arrived in the Islamic Republic of Iran to visit family after posting comments about the Government on Facebook while living in the United Kingdom of Great Britain and Northern Ireland. She was sentenced, along with Mir Golestani, to 20 years in prison.[13]

28. A journalist who had been in self-imposed exile from the Islamic Republic of Iran since 2009, Seraj Mirdamadi, returned to the country at the time of the inauguration of Hassan Rouhani as President in 2013. He was detained, questioned and accused of working for opposition media groups. On 10 May 2014, he was arrested after responding to a court summons. He was not allowed a family visit for six weeks. The authorities have imposed a travel ban on him while he awaits trial.[14]

29. Several journalists, Mohammad Sedigh Kaboudvand, Saeed Matinpour, Omid Behroozi, Hossein Ronaghi Maleki, Siamak Ghaderi and Saeed Haeri, were reportedly beaten by authorities in Evin prison ward 350 on 17 April 2014.[15] The Special Rapporteur is particularly concerned about individuals who reportedly require medical attention, including, but not limited to, Hossein Ronaghi Maleki,

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[10] International Campaign for Human Rights in Iran, "Judiciary official urges 'maximum punishment' for detained IT professionals even before trial", 8 January 2014. Available from www.iranhumanrights.org/2014/01/it-punishment/.

[11] International Campaign for Human Rights in Iran, "Eleven Internet professionals sentenced to one to eleven years in prison", 20 June 2014. Available from www.iranhumanrights.org/2014/06/cyber-activists/. See also Mahsa Alimardani and Fred Petrossian, "Hope and disillusionment in Iran as internet censorship persists and bloggers jailed", 25 June 2014. Available from www.globalpost.com/dispatches/globalpost-blogs/commentary/internet-censorship-jailed-bloggers-Iran.

[12] Saeed Kamali Dehghan, "Briton among eight jailed in Iran for web insults", *Guardian*, 27 May 2014. Available from www.theguardian.com/world/2014/may/27/briton-eight-jailed-iran-web-insults-facebook.

[13] Lorenzo Franceschi-Bicchierai, "Iran sentences 8 Facebook users to combined 123 years in jail", 28 May 2014. Available from http://mashable.com/2014/05/28/iran-jails-8-facebook-users/.

[14] Committee to Protect Journalists, "Rouhani has yet to deliver on press reforms in Iran", 13 March 2014. Available from http://cpj.org/blog/2014/03/hope-of-reform-in-iran-dwindles-as-rouhani-steps-u.php.

[15] Committee to Protect Journalists, "Seven journalists among those beaten in Iran's Evin prison", 18 April 2014. Available from http://cpj.org/2014/04/seven-journalists-among-those-beaten-in-irans-evin-p.php.

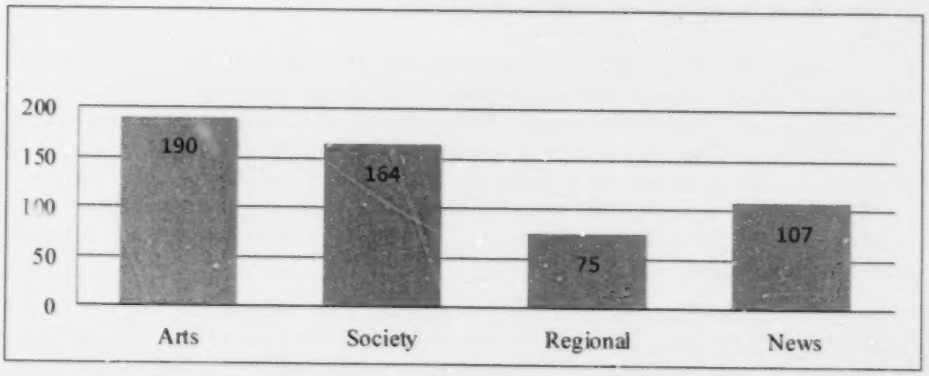
Kavyan Samimi, Mohammad Reza Pourjashari[16] and Mohammad Sedigh Kaboudvand.[17]

30. In February 2014, a parliamentarian and member of the Press Supervisory Board, Ali Motahari, criticized the judiciary's decision to close down the *Aseman* newspaper before the Board was able to review the case. On 8 March 2014, a court ordered the closure of the *Bahar* newspaper for another six months, following its original closure in November 2013, for allegedly insulting Islam and spreading propaganda against the system.

31. Iranian officials have made public statements in which they referred to impending Internet infrastructure improvements that would yield higher speeds for users by September 2015. Moreover, the country's fifth five-year development plan proposes measures to establish a national Internet in an effort to increase speed by investing in national infrastructure and webhosting.[18]

32. Severe content restrictions, intimidation and prosecution of Internet users and limitations on Internet access through throttling and filtering persist, however. Some 5 million websites remain blocked. The top 500 blocked websites include many dedicated to the arts, social issues, news and those ranked in the top tiers of popularity nationally (see A/68/503 and figure II). In its response to the draft report, the Government noted that it "(like many countries) blocks all immoral websites in the arts or social groups".

Figure II
Number of blocked websites in key categories



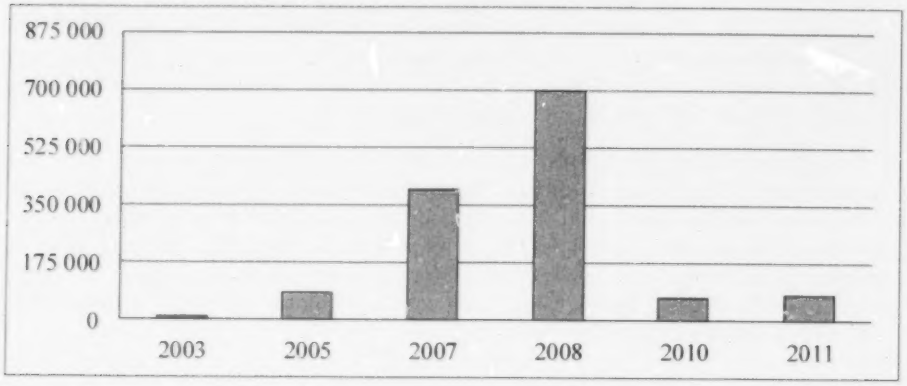
33. Two blog hosting platforms, WordPress and Blogspot, are 96 and 98 per cent filtered, respectively.[19] Social media websites such as Facebook, Twitter, Instagram and the popular messaging application WeChat are, according to ASL19, also blocked. The authorities have alleged that there is a link between rates of divorce

[16] See www.ohchr.org/FR/NewsEvents/Pages/DisplayNews.aspx?NewsID=14492&LangID=E.
[17] Interview with a source close to the case, May 2014.
[18] Small Media, "Iranian internet infrastructure and policy report" (October 2013), p. 3. Available from http://smallmedia.org.uk/sites/default/files/u8/IIIPSepOct.pdf.
[19] Laurent Giacobino and others, "Whither Blogestan: evaluating shifts in Persian cyberspace" (March 2014). Available from www.iranmediaresearch.org/en/system/files/2014_whither_blogestan.pdf.

and increased use of WeChat and other messaging applications. The number of Persian-language blogs has been declined significantly since 2008 (see figure III).

34. Lastly, budgetary allocations for the implementation of information technology and national security tasks by the Ministry of Intelligence and Security were increased by 87 per cent for the 2014/15 fiscal year, raising concerns regarding potential increased censorship. The details of the plan are not yet clear, however.

Figure III
Number of Persian-language blogs per year (2011 approximate)



E. Freedom of assembly and association

35. More than 10 student groups (*anjoman*) in various universities whose activities were previously suspended were permitted to resume operations during the past year.[20] At least 10 additional student groups also received permission to function for the first time. Concern remains, however, over the continued denial of access to education for some students. Between March 2013 and March 2014, at least 28 students were arrested by security forces and eight student publications were suspended by the university authorities. At least 11 student activists are currently serving prison sentences.

36. At least 58 Kurdish human rights activists were summoned to offices of the Ministry of Intelligence and Security between August 2013 and May 2014. The figure includes 30 labour activists, 21 of whom were summoned by the Intelligence Office in Sanandaj and the Governor of the city of Saqqez between 28 April and 1 May 2014, in relation to their participation in International Workers' Day on 1 May. Saqqez officials had allegedly suggested to some local labour activists that they should participate in the Government's official events instead of holding separate events.[21]

37. Some elements of the bill on supervising the establishment and activities of non-governmental organizations remain problematic. The bill defines and regulates the activities of non-governmental organizations and increases government

[20] According to a report submitted to the Special Rapporteur on 30 June 2014, student groups have resumed their activities at the Isfahan University of Technology, the Sahand University of Technology and Kashan, Zanjan, Hormozgan, Sistan, Kerman, Birjand and Yasouj universities.

[21] This information was obtained from a report submitted to the Special Rapporteur on 28 May 2014.

supervision. Some officials have proposed to withdraw it. The authorities have also recently discussed attempts to reduce restrictions imposed on non-governmental organizations, including the lengthy registration process for associations.

38. A bill on the activities of political parties was made publicly available on 8 January 2014. It prohibits parties from activities until they obtain two permits from a five-member commission comprising members of the parliament and the offices of the Attorney General, the judiciary and the Ministry of the Interior. The commission would have three months to respond to appeals against rejected applications.

39. The bill requires applicants to submit, among other things, details of their world view, ideals and general views about cultural, economic, social, political, administrative and legal issues in the country. Applicants would also be required to explicitly state their adherence to the Constitution and the principle of the guardianship of the Islamic jurist in their manifestos and statutes. Party representatives would also need to inform the Ministry of the Interior at least 72 hours before any gatherings or demonstrations.

F. Early and forced marriage

40. The legal age of marriage for girls in the country is 13 years, but girls as young as 9 years of age may be married with permission from a court. In 2002, the Guardian Council rejected legislative attempts to increase the minimum age to 15 years. In 2013, a legislative attempt to declare the marriage of a custodian to his adopted daughter illegal was also voided by the Council (see A/68/503). The amended text of the relevant law now in effect recognizes the legitimacy of such a marriage provided that a competent court considers it to be in the best interest of the child (art. 27).

41. At least 48,580 girls between 10 and 14 years of age were married in 2011, 48,567 of whom were reported to have had at least one child before they reached 15 years of age. Some 40,635 marriages of girls under 15 years of age were also registered between March 2012 and March 2013, of which more than 8,000 involved men who were at least 10 years older. Furthermore, at least 1,537 marriages of girls under 10 years of age were registered in 2012, which is a significant increase compared with the 716 registered between March 2010 and March 2011.[22] The number of registered divorces for girls under 15 years of age has also consistently increased since 2010. The Government responded to the foregoing by stating that the law prohibits forced marriage, meaning that all marriages in the country are consensual.

G. Freedom of religion

42. The Government accepted nine recommendations regarding religious rights during the consideration of the country by the Working Group on the Universal Periodic Review, including commitments to upholding freedom of belief and religion, extending protection to all religious groups, combating incitement to religious hatred and amending all legislation that discriminates against minority groups (see A/HRC/14/12). No progress in this regard has been observed, however.

[22] See www.ohchr.org/Documents/Issues/Women/WRGS/ForcedMarriage/NGO/JusticeForIran.pdf.

As at June 2014, at least 300 minority religious practitioners were reportedly imprisoned, including three active members of the Yarsan faith, in addition to members of newer spiritual movements.[23]

1. Baha'is

43. At least 126 Baha'is were held in detention as at August 2014. Reports referred to insufficient fair trial safeguards, including inadequate access to legal counsel. Several interviewees also maintained that lawyers often declined to take their cases owing to fear of reprisals. The Baha'i International Community and Iranian Evangelical Christian leaders added that many of the lawyers who had accepted sensitive Baha'i or Christian cases had been imprisoned or had to flee the country.

44. The destruction or closure of religious sites such as cemeteries, prayer centres and churches continues. In May 2014, officers from the Islamic Revolutionary Guard Corps demolished a Baha'i cemetery in Shiraz, the appeals from the community and rights groups notwithstanding.[24] Furthermore, at least 900 online articles that perpetuate xenophobic beliefs or depict the Baha'i faith as politically subversive were published between January and May 2014.[25]

45. In December 2013, a documentary aired on national television alleged that the Baha'i community was closely connected to foreign Governments and former Governments of the Islamic Republic of Iran. Other interviews, reportedly broadcast in May 2014, alleged that Baha'is were spies. In June 2014, anti-Baha'i leaflets were reportedly distributed in the city of Yazd, claiming that the blood of Baha'is was worthless, and slogans calling for death to Baha'ism were allegedly spray-painted on walls in the city.[26]

46. The Government maintained that the "negative record and sectarian advertising" of the Baha'i community "have caused hatred of large segments of society against them, but that citizenship rights of those who do not stimulate missionary activities are respected". It denies the incident cited above.

2. Christians

47. At least 49 Protestant Christians are currently detained, many for involvement in informal house churches. In April 2014, security forces reportedly raided an Easter service in a private home in southern Tehran and detained six individuals: Ehsan Sadeghi, Nazy Irani, Maryam Assadi, Ali Arfa'e, Vahid Safi and Amin Mazloomi.[27] During the past two to three years, the authorities have increasingly

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[23] According to information submitted to the Special Rapporteur.

[24] "Shiraz cemetery demolition continues by the Revolutionary Guards", Baha'i World News Service, 8 May 2014. Available from http://news.bahai.org/story/994. See also Human Rights Watch, "Iran: mounting pressure on Baha'is", 20 May 2014. Available from www.hrw.org/news/2014/05/19/iran-mounting-pressure-baha.

[25] According to research submitted to the Special Rapporteur by the Baha'i International Community in July 2014.

[26] "Threatening anti-Baha'i posters distributed in Yazd, Iran", Baha'i World News Service, 18 June 2014. Available from http://news.bahai.org/story/1010.

[27] "Uncertain fate of six Christian detainees in southern Tehran", Iranian Christian News Agency, 24 May 2014. Available from www.mohabatnews.com/index.php?option=com_content&view=article&id=8673:uncertain-fate-of-six-christian-detainees-in-southern-tehran-&catid=36:iranian-christians.

closed officially licensed churches and arrested their pastors for holding services in Persian or for allegedly ministering to Iranians from Muslim backgrounds. The authorities regularly block Christian community websites.[28]

48. Christian converts continue to report that they were sometimes subjected to physical and intense psychological abuse, including threats of execution, while in detention. In April 2014, intelligence officers reportedly beat an imprisoned church leader, Farshid Fathi, requiring him to be hospitalized.[29]

3. Sufi or Dervish Muslims

49. At least nine Sufi or Dervish Muslims are currently detained. Restrictions on the right to association and peaceful assembly for Sufis extend beyond purely religious gatherings. For example, the security forces arrested 326 members of the Gonabadi Sufi order who gathered outside a courtroom in Tehran in March 2014. They were reportedly protesting against the inadequate medical attention offered to three imprisoned members of the community, Mostafa Daneshjoo, Hamidreza Moradi and Farshid Karampour, and the punitive transfer of two other Sufis from Evin prison to Rajaee Shahr prison.[30] Peaceful protests in support of imprisoned members of the Gonabadi community were apparently attacked by the police in May 2014.

50. Incitement against Gonabadi Dervishes reportedly also continues. In June 2014, religious leaders allegedly described members of the Dervish community as infidels and Wahhabists.

4. Sunni Muslims

51. At least 150 Sunni Muslims are currently detained for reportedly organizing religious meetings and activities or after trials that allegedly often failed to meet international standards. Many have been charged with serious security offences.

52. According to sources wishing to remain anonymous, 15 Arabs who converted from Shia to Sunni Islam were sentenced to a one-year term of imprisonment on 21 February 2013. They were reportedly detained in an unknown location for 21 days after their arrests on 17 January 2012. They were allegedly interrogated, threatened and encouraged not to seek legal counsel. Sources maintain that the defendants' activities were solely religious, including organizing private group prayers, reading the Koran and Islamic jurisprudence in their homes and performing charity work. They were reportedly charged with spreading propaganda against the system by promoting Wahhabism and Salafism, holding group prayers, questioning the official religion of the country, producing and distributing deviant books, communicating with salafist and takfirist groups (groups accusing others of apostasy) and participating in the religious courses of salafist and takfirist elements. They were each sentenced to a term of imprisonment of one year by Branch 2 of the Revolutionary Court of Ahvaz and were summoned in April 2014 to serve their sentences.

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[28] Small Media, "Heretics: Iran's religious minorities", 30 May 2014. Available from http://smallmedia.org.uk/heretics/heretics.pdf.

[29] "Pastor Farshi Fathi transferred to hospital after being beaten in prison", Iranian Christian News Agency, 21 April 2014. Available from www.mohabatnews.com/index.php?option=com_content&view=article&id=8503:pastor-farshi-fathi-transferred-to-hospital-after-being-beaten-in-prison&catid=36:iranian-christians&Itemid=279.

[30] International Campaign for Human Rights in Iran, "Protesting Dervishes beaten and detained", 11 March 2014. Available from www.iranhumanrights.org/2014/03/dervishes-beaten-detained/.

53. The families of four Arab activists executed in 2014 have reportedly been prevented from performing proper burials and conducting mourning services for their loved ones in accordance with their religious beliefs and their internationally protected rights to express them.[31] Another family reported warnings and harassment by the authorities when, in accordance with Shia Islamic religious principles, they attempted to mourn the death of Sattar Beheshti, who died in detention in mysterious circumstances in 2012.[32]

III. Economic, social and cultural rights

54. During the consideration of the Islamic Republic of Iran in 2010 by the Working Group on the Universal Periodic Review, the Government accepted 7 recommendations relating to economic and social rights generally and another 13 relating to the rights to education and health (see A/HRC/14/12). The Committee on Economic, Social and Cultural Rights identified discriminatory laws and practices based on faith, and by-proxy ethnicity, as a primary impediment to the fulfilment of economic and social rights during the country's 2013 review. The Committee urged the Government to take steps to ensure that people with beliefs other than the religions recognized by the State party could fully enjoy all aspects of economic, social and cultural rights, without any discrimination (see E/C.12/IRN/CO/2, para. 6).

A. Right to education

1. Women

55. The Islamic Republic of Iran continues to make progress in literacy, especially female literacy (see figure IV).[33] The percentage of female students entering university has, however, decreased from 62 per cent in 2007-2008 to just 48.2 per cent in 2012-2013, following the institution in 2012 of gender-rationing policies. Those policies also resulted in the admission of more men than women in some fields of study between 2013 and 2014.[34] Although the Minister of Science, Research and Technology has said that the policies will not be implemented in 2014-2015, the Minister of Health and Medical Education has stated that medical schools will begin implementing them then.

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[31] Interviews with family members of three of the four prisoners submitted to the Special Rapporteur, March/June 2014. See also International Campaign for Human Rights in Iran, "Two Iranian-Arabs executed in secret", 16 June 2014. Available from www.iranhumanrights.org/2014/06/executions-iranian-arabs/. See also Human Rights and Democracy for Iran, "Memorial: Hadi Rashedi". Available from http://iranrights.org/memorial/story/71726/hadi-rashedi.

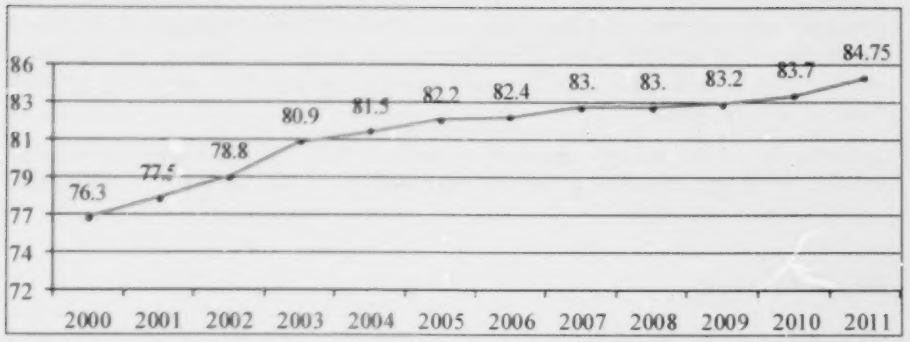
[32] Amnesty International, "Iran: mother of dead blogger attacked while mourning son at his graveside", 14 June 2012. Available from www.amnesty.org.uk/press-releases/iran-mother-dead-blogger-attacked-while-mourning-son-his-graveside.

[33] See www.amar.org.ir/Default.aspx?tabid=493.

[34] It was reported that women were not accepted for 14 major subjects at universities following the 2013-2014 national entrance examination.

Figure IV
National literacy rate, 2000-2011

(Percentage)



2. Ethnic minorities

56. The impact of inadequate respect for linguistic rights in education has been reported previously (see A/67/369). Statements recently issued by government officials regarding plans to implement article 15 of the Constitution and proposals in the five-year development plan to advance language education in schools are encouraging, but the plans have not yet been implemented. Likewise, a parliamentarian has expressed concern over inadequate budgetary provisions for implementation.

3. Religious minorities

57. University regulations (the moral selection regulations for university entrance applicants) continue to officially grant admission only to Muslims or members of officially recognized minority religions (i.e. Christianity, Judaism and Zoroastrianism), resulting in as many as 1,000 Baha'i students being denied admission in a single year.[35] A prominent lawyer who represented a group of Baha'i students, Mohammad Olyaei Fard, described the ruling of the Supreme Administrative Court in 2009, explaining that education regulations issued by the Supreme Council of the Cultural Revolution barred Baha'is from enrolment. Baha'is who are not identified during the admission process are often expelled once their faith is discovered. According to the Baha'i International Community, at least two dozen Baha'is were expelled for that reason between 2011 and 2013.

58. More than a dozen Baha'is who recently left the country reported that they had been denied admission to university or expelled before graduation on account of their religion. Several Baha'i students, or their parents, also reported that education officials did not grant them or their children admission to specialized middle schools, high schools and schools for gifted students on account of their faith.

59. The only recommendation by the Working Group on the Universal Periodic Review relating to education that was not accepted by the Government encouraged it to provide for urgent instructions to all schools to respect freedom of religion or belief and to take specific measures to reprimand any teacher or school administrator

[35] "Iranian Baha'is face continuing discrimination in higher education", Baha'i World News Service, 28 February 2007. Available from http://news.bahai.org/story/507.

who intimidated Baha'i children (see A/HRC/14/12). Several accounts relate that middle and secondary school teachers and administrators continue to harass Baha'i students or attack their faith in classrooms. Individuals reported that classroom teachers often referred to their faith and its members as sexually promiscuous, unclean, immoral, part of a foreign plot or atheistic. Some students who defended themselves or their faith were allegedly expelled. Christian converts and members of the Yarsan faith have also reported being expelled after university officials learned of their faith.[36]

60. In its reply, the Government explained that Baha'is were granted full citizenship rights, including university education, provided that they did not partake in "missionary activities".

B. Right to work

61. The authorities have imprisoned at least 27 labour rights activists, a number of whom reportedly require urgent medical attention, including Sharokh Zamani, Reza Shahabi, Moahmmad Jarrahi, Hassan Tafah, Rasool Bodaghi, Karim Marouf Aziz, Arjang Davoodi and Mashallah Haeri. Mr. Zamani, a trade unionist, a member of the Committee to Pursue the Establishment of Labour Unions and the co-founder of the Painters' and Decorators' Union, was arrested in June 2011. He was sentenced to 11 years in prison upon being convicted of "acting against national security by establishing or membership of groups opposed to the system" and "spreading propaganda against the system". In November 2011, an appeal court upheld his sentence. On 11 March 2014, he was transferred to Ghezel Hesar prison, reportedly as a punishment for his activism. He then began a hunger strike to protest against the conditions and the ill-treatment of prisoners, demanding his return to Rajaee Shahr prison.

1. Adequate wages

62. Section 41 of the Labour Code (1990) mandates annual adjustments to the national minimum wage in accordance with the rate of inflation and the cost of living for a family of four. The Government approved an increase of 25 per cent in March 2014. Concern that the increase failed to match the country's annual inflation rate of around 35 per cent was communicated by labour rights activists. Some 40,000 workers signed a letter to the Minister of Labour and Social Affairs calling for an appropriate increase, eventually leading in part to nationwide protests in observance of International Workers' Day.[37] The Government, in its reply, noted that the increase did not account for increased auxiliary benefits recently approved for working families.

2. Safe and healthy working conditions

63. In April 2014, the Deputy Labour Minister for International Affairs reported that the incidence of deadly workplace accidents remained high and was on the rise. He also reported that 1,517 workers had been killed in work-related accidents over

[36] According to interviews conducted and submitted to the Special Rapporteur (June 2014).

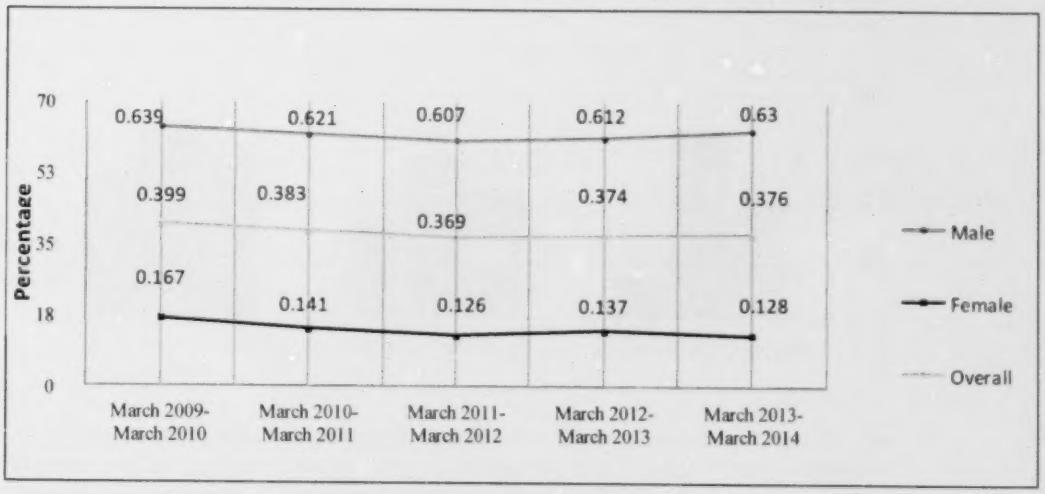
[37] International Campaign for Human Rights in Iran, "Labor activists remain in prison for May Day gathering", 7 May 2014. Available from www.iranhumanrights.org/2014/05/labor-day/.

the previous 10 months, an increase of about 14 per cent from the previous year. He noted that more than 47 per cent of work-related accidents occurred at construction sites, up 5 per cent from five years earlier, underscoring figures previously released in 2012 by the Coroner's Office indicating that falls from high places and strikes by hard or blunt objects accounted for most work-related deaths. It is also estimated that 13 million individuals lack workers' compensation insurance for employment-related accidents. The Government said in its response that all workplace-related information should come from the Deputy Labour Minister for International Affairs.

3. Gender participation and income disparities

64. No improvement in the level of participation of women in the workforce has been observed (see figure V). The Islamic Republic of Iran continues to have one of the lowest rates of female representation in the labour market globally,[38] with women constituting only 16 per cent of the labour force.

Figure V
Labour market participation



65. The Statistical Centre of the Islamic Republic of Iran reported that the national unemployment rate in 2013-2014 for women (20.8 per cent) was significantly higher than for men of the same age (8.5 per cent) and that increases in female unemployment over the past four years had widened that gap by 97 per cent (see figure VI). Unemployment gaps between men and women are significantly greater for individuals with higher levels of education, rendering women with post-secondary degrees three times as likely to be unemployed as their male counterparts (see figure VII). The Government maintains that unemployment levels declined for the cited years for both men and women owing to economic developments and that that equates to an absence of discrimination against women.

[38] World Economic Forum, *The Global Gender Gap Report 2013* (Geneva, 2013). Available from www3.weforum.org/docs/WEF_GenderGap_Report_2013.pdf. The Islamic Republic of Iran ranks 130 of 136 countries assessed.

Figure VI
Unemployment by gender, 2009-2014
(Percentage)

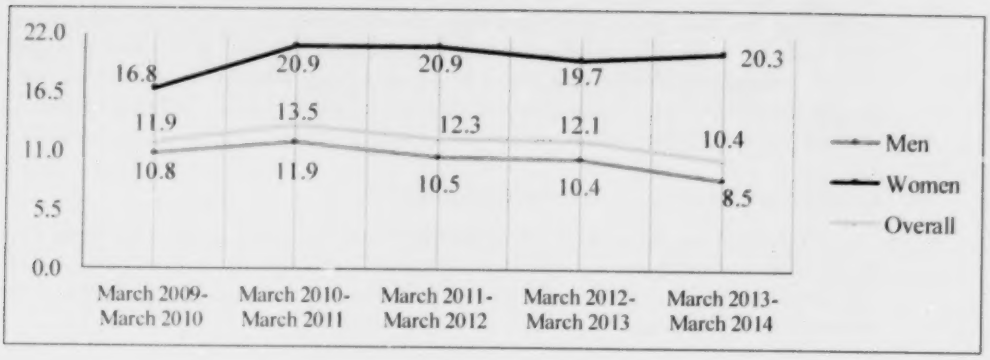
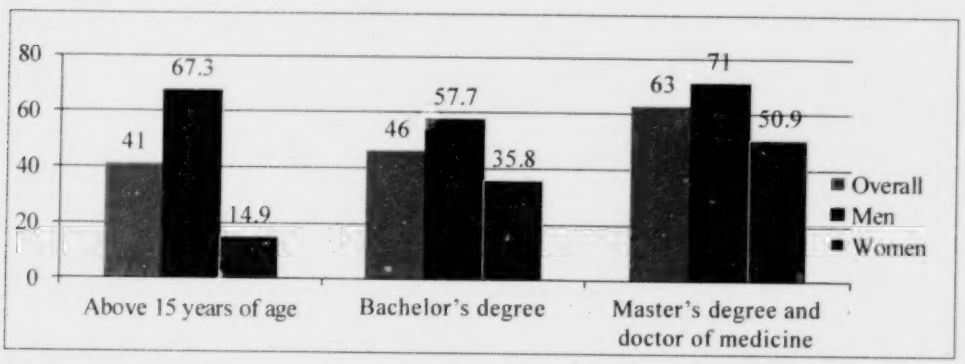


Figure VII
Economic participation for levels of education by gender
(Percentage)



66. Women from some ethnic minority backgrounds also appear to experience a disproportionately higher rate of unemployment. In the Provinces of Kermanshah and Lorestan, which are inhabited primarily by Iranians of Kurdish and Lur descent, unemployment rates were 24.2 per cent and 27.2 per cent, respectively.

67. Participation rates of women in paid work are low, with Iranian women estimated to earn the lowest average incomes in Asia and the Pacific. Men earn 4.8 times more than women, making the income gap between Iranian men and women one of the highest in the world.

68. The Administration has granted 3 of 11 deputy vice-presidential posts to women, corresponding to the portfolios of legal affairs, women's affairs and environmental affairs. Moreover, some high-level posts in Sistan va Baluchestan Province are now filled by women, including two city governors and the deputy of the provincial Office of Development, Management and Human Resources. Regardless, female representation in senior decision-making positions remains low.

69. There are no female ministers in the Administration. Overall, women occupy 17 per cent of jobs categorized as lawmakers, high-level officials and managers.

They occupy only 3 per cent of the seats in the parliament and 9.7 per cent of the seats on the Tehran city council. No woman has ever been appointed to the Guardian Council or the Expediency Discernment Council and only one has served as a minister. Moreover, a government statement at the fifty-seventh session of the Commission on the Status of Women on 5 March 2013 notwithstanding,[39] women appear to be permitted to serve only as female advisory judges and issue advisory opinions in family courts.

70. The draft comprehensive population and family excellence plan, currently before the parliament, would further undermine the participation of women in the workforce. It introduces a hierarchy of hiring practices by both public and private institutions, stating that in all governmental and non-governmental sectors employment is to be assigned first to men with children, then to married men without children and only then to women with children. The draft seemingly excludes unmarried women from the selection process. It also prohibits single individuals from being employed in faculty positions in higher education, research institutions and teaching positions at various levels if there are qualified married applicants.

4. Religious and ethnic minorities

71. In its 2010 concluding observations, the Committee on the Elimination of Racial Discrimination expressed concern over reports that the application of the *gozinesh* criterion, a selection procedure requiring prospective State officials and employees to demonstrate allegiance to the Islamic Republic of Iran and the State religion, might limit employment opportunities and political participation for, among others, persons of Arab, Azeri, Balochi, Jewish, Armenian and Kurdish communities (CERD/C/IRN/CO/18-19, para. 16).

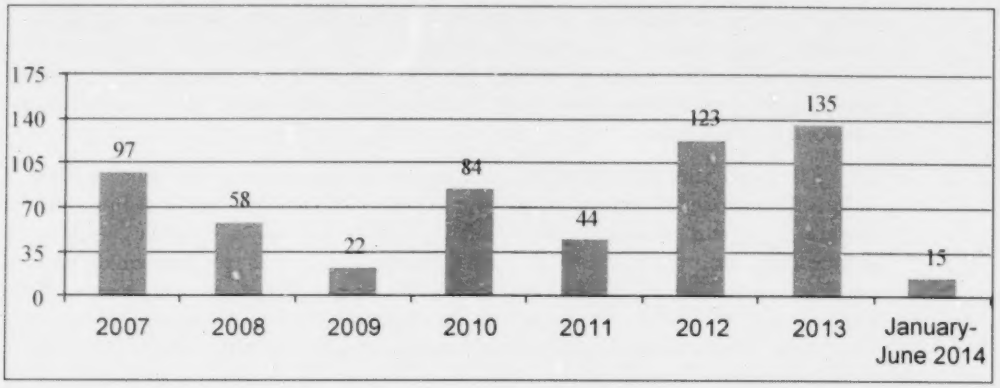
72. Furthermore, individuals seeking to work in a technical or professional field require a licence from guilds or professional associations under the supervision of the Ministry of Intelligence and National Security or relevant State ministries. Business licences must also be obtained from the local government and the Public Places Supervision Office (*amaken*), which is a security apparatus. Applicants are frequently required to identify their religion. Reports continue to indicate that the licensing authorities regularly deny licences to applicants from unrecognized faiths.

73. In recent years, the authorities have reportedly been involved in the systematic closure of Baha'i businesses, including many that had previously obtained licences. Sources record at least 578 cases where the right to work of Baha'is was infringed by the authorities, and in a few cases by private businesses, between 2007 and June 2014 (see figure VIII).

74. The cases include at least 291 in which businesses were either seized or closed, 42 in which a business application was denied or not renewed and 49 in which Baha'is were either dismissed on account of their faith or whose employers were pressured by the authorities to dismiss them. The Baha'i community also reported numerous cases of arson that appeared to be aimed at intimidating business owners or employees. The Government maintains that the information above is undocumented and incorrect.

[39] See www.un.org/womenwatch/daw/csw/csw57/generaldiscussion/memberstates/iran.pdf.

Figure VIII
Recorded violations of the right to work of Baha'is, 2007-2014



75. Recognized religious minorities are not immune from violations of the right to work. Since 2005, at least 37 Gonabadi Dervishes have reportedly been fired or denied State employment or professional licences on account of their religious affiliation. In one case, the authorities dismissed Ali Moazzami Fard from his job at the Imam Khomeini Relief Committee for the Province of Semnan for holding religious gatherings at his house.

76. Human rights groups have also reported that Christian converts, identified by their Muslim last names, have been denied licences or dismissed from their jobs after converting to or speaking about Christianity to co-workers.[40] One Christian convert reported being unable to renew a business licence owing to an arrest for house-church activities.

77. Only one of five border bazaars is active in the Sistan area, although all were active before a security wall was reportedly erected to prevent traffickers, foreign nationals and drugs from entering and leaving the country. The local authorities have reportedly sought to recreate employment opportunities by removing some of the obstacles, which has re-established commercial activities to some extent. Furthermore, between 70,000 and 80,000 people whose employment depends on the Hamoun wetlands are currently facing unemployment owing to extreme drought.

C. Right to join trade unions

78. Article 26 of the Constitution permits the establishment of craft associations provided that no violation is involved of the principles of national unity, Islamic standards and the "foundations" of the Islamic republic. The Labour Code permits the formation of Islamic guilds only with approval from the Ministry of Labour and Social Affairs.[41]

[40] International Campaign for Human Rights in Iran, "The cost of faith: persecution of Christian Protestants and converts in Iran" (2013). Available from www.iranhumanrights.org/wp-content/uploads/Christians_report_Final_for-web.pdf.

[41] Mostafa Seraji and Kamal Halili Hassan, "Freedom of association for trade union purposes in Iran and the ILO standards: a legal analysis (part 1)", *International Business Management*,

79. The dependence of Islamic guilds on government approval for their formation is likely to undermine the independence of unions, which contradicts the right to freedom of association as stipulated in the International Covenant on Civil and Political Rights. Moreover, reports indicate that many guilds are not independent and often cooperate with security branches of the Government in the registration and *gozinesh* processes. Restrictions on the right of workers to organize guilds further minimize opportunities to tackle the aforementioned workplace safety and fair wage issues.

80. In its response, the Government noted that the number of provincial labour trade and local employee unions had increased. It also noted that 115 permits for new guilds and renewed licences for 280 others had been issued between 2009 and 2013. Lastly, it highlighted the explicit permission in the fifth development plan for workers to protest and noted that hundreds of protests were held each year by workers without permits. According to the Government, the aforementioned labour activists were arrested "on charges of crimes against national security and/or campaigning against the Islamic Republic system".

D. Right to health and its underlying determinations

1. Environment

81. The five-year development plan includes a call for the management of the country's delicate ecosystem, especially Lake Urmia, and includes measures to manage and reduce greenhouse gas and air pollution levels in line with international standards. Positive steps have been taken to identify solutions for the desiccation of Lake Urmia and the Hamoun wetlands in Sistan va Baluchestan Province and to tackle greenhouse gas emissions and air pollution.

82. For example, a joint invitation for an international round table was extended by the Department of the Environment and the United Nations Development Programme in March 2014. The participants reviewed what were termed the "serious social, economic and health" implications of the phenomena for the ecosystem and its inhabitants, including a number of globally threatened species. In the joint report, the Government's commitment to saving Lake Urmia was recognized, but it was also indicated that "real action is lagging".[42]

83. On 20 April 2014, officials reported that 93 per cent of Lake Urmia had dried up, doubling standard salinity levels and resulting in an increase in cancer and respiratory diseases. Local officials have maintained that, if the necessary measures are not taken by October 2014, the southern part of the lake will disappear, which could force up to 5 million people to migrate from the area. Figure IX shows the decreasing surface area of the lake.

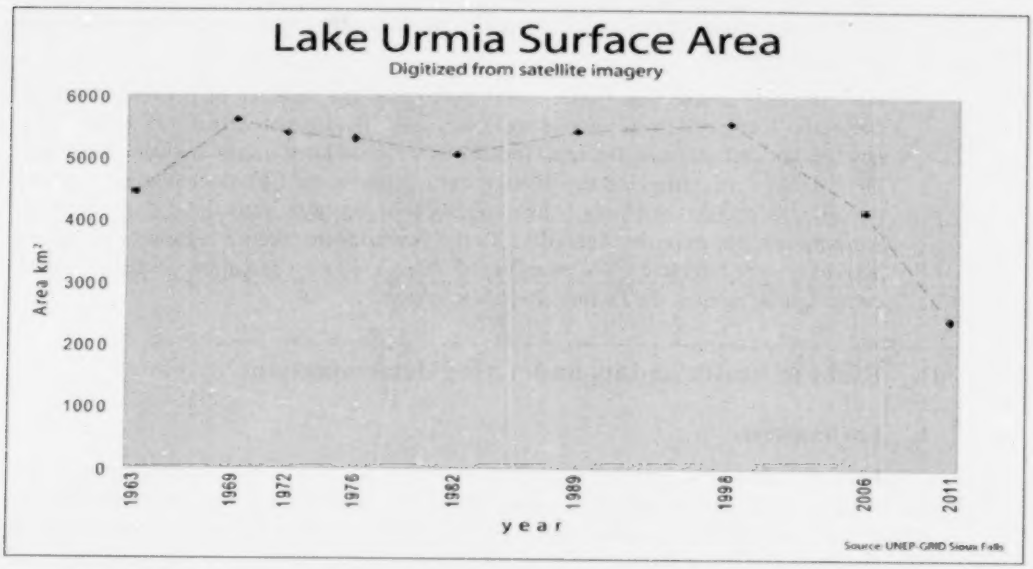
84. According to the United Nations Resident Coordinator in the Islamic Republic of Iran, 600,000 people have migrated from areas surrounding the lake and wetlands and the people remaining in the area are living in conditions of increasing poverty. The number of sandstorms and dust storms has almost doubled from 120 to

vol. 6, No. 1 (2012).

[42] See www.ir.undp.org/content/dam/iran/docs/Publications/E%26SD/WIRT%20Conclusions%20and%20Recommendations.pdf.

220 days each year. The desiccation of the Hamoun wetlands has also led to an increase in tuberculosis in the city of Zabol, while the desiccation of Lake Urmia has had a major impact on the socioeconomic situation of inhabitants who depend on its water, in particular for agriculture.

Figure IX



Source: http://na.unep.net/geas/getUNEPPageWithArticleIDScript.php?article_id=79.

85. In January 2014, officials reported that the Supreme Council of Water had designated the branches of the Karoun river to be used only for potable water and announced that all projects on the river would be suspended in order to revive it in Khuzestan Province.

86. According to the World Health Organization, the country possesses 4 of the 10 cities with the highest air pollution levels in the world, ranking it eighth in air pollution levels globally. Ahvaz, in Khuzestan Province, is the world's most polluted city. The other three cities on the list are Sanandaj, Kermanshah and Yasuj.[43] A member of the Environment Commission of the parliament has said that more than 4,000 people in Tehran lose their lives every year owing to air pollution.

87. The Government has reportedly adopted an executive plan to reduce air pollution and is drafting a clear air bill. Officials have stated that their goal is to end the domestic production of relatively dirty fuel noted to have carcinogenic effects. Production had been triggered in part by import limitations following international sanctions. The authorities hope to replace it with higher-quality imported fuel. Officials have stated that, as from 23 August 2014, all newly produced cars will meet Euro 4 standards and use less fuel than those meeting Euro 2 standards. This will reduce the production of sulphur and benzene, which are reported to be the most significant air pollution factors leading to death and incurable diseases. In April

[43] World Health Organization, "7 million deaths annually linked to air pollution". Available from www.who.int/phe/health_topics/outdoorair/databases/en/index.html.

2014, the Government also adopted an act mandating the Ministry of Health and Medical Education to review all available information and data on the contribution of air pollution to death and disease and to submit a report in March 2015.

2. Reproductive health

88. According to general comment No. 14 of the Committee on Economic, Social and Cultural Rights, to reduce the stillbirth rate and infant mortality and ensure the healthy development of the child, there is a need for measures to improve child and maternal health, sexual and reproductive health services, including access to family planning, prenatal and postnatal care, emergency obstetric services and access to information, as well as to resources necessary to act on that information.

89. A plan for increasing child-bearing and preventing a decrease in population growth, currently before the parliament, challenges the country's ability to advance the relevant accepted recommendation of the Working Group on the Universal Periodic Review. It prohibits all acts of abortion or sterilization (e.g. vasectomy or tubal ligation), with the exception of situations threatening the health of the mother or the foetus, and propagation of decreasing childbearing. Persons engaging in such activity will be prosecuted in line with the Islamic Penal Code and face between two and five years in prison.

IV. Economic sanctions

90. As reported in the *Financial Times* on 26 December 2013, the medical sector and, to a lesser extent, the food sector are experiencing difficulties in importing and paying for goods as a result of the general climate created by economic sanctions, with some firms having had their payments frozen by Western regulators.

91. Government data indicate that the country experienced shortages ranging from 78 to 172 drugs (both domestically produced and imported) every month between mid-2012 and September 2013, allegedly caused in part by difficulties in facilitating payments for imports. An official of the Ministry of Health and Medical Education stated that medication worth an estimated 150 million euros scheduled for purchase was being held in the European Union owing to the lack of a credible channel for payment. Sanctions have, moreover, allegedly resulted in an influx of substandard or counterfeit medicines.[44]

92. Some delays and medical shortages are reportedly due to government mismanagement.[45] In September 2013, the Minister of Health and Medical Education, Hassan Qazizadeh Hashemi, reportedly complained that the former Administration had reallocated $20 billion in subsidized currency earmarked for the health sector to a housing project.[46] He also stated that the spike in the cost of medicine was partly due to government mismanagement, but claimed that sanctions

[44] Seyed Hosseini, "Impact of sanctions on procurement of medicine and medical devices in Iran; a technical response", *Archives of Iranian Medicine*, vol. 16, No. 12 (December 2013).

[45] See www.youtube.com/watch?v=LVqVh_L6KSc.

[46] F. Karimov, "Iranian health minister: President Ahmadinejad spent $20 billion health budget on Mehr housing project", 6 September 2013. Available from http://en.trend.az/regions/iran/2186947.html.

had also undermined imports of medicine.[47] The Ministry has taken some positive steps to respond to the shortages, including subsidizing purchases and establishing national monitoring systems to share information about shortages.

93. Macro trade data show that both medicine and medical equipment exports from the European Union and sales of medical equipment by the United States of America to the country reportedly continue to rise in value on the whole (see figures X and XI). United States sales of medicines generally decreased when the financial sector sanctions were expanded in 2010, however. The value of food sales from the European Union and the United States also dipped slightly around 2010, but has since increased (see figure XII). Those trends indicate that some firms continue to trade in humanitarian goods with the Islamic Republic of Iran, but not whether sanctions have affected supplies of rare advanced medications, as some studies claim.

Figure X
United States medical exports, 2003-2013

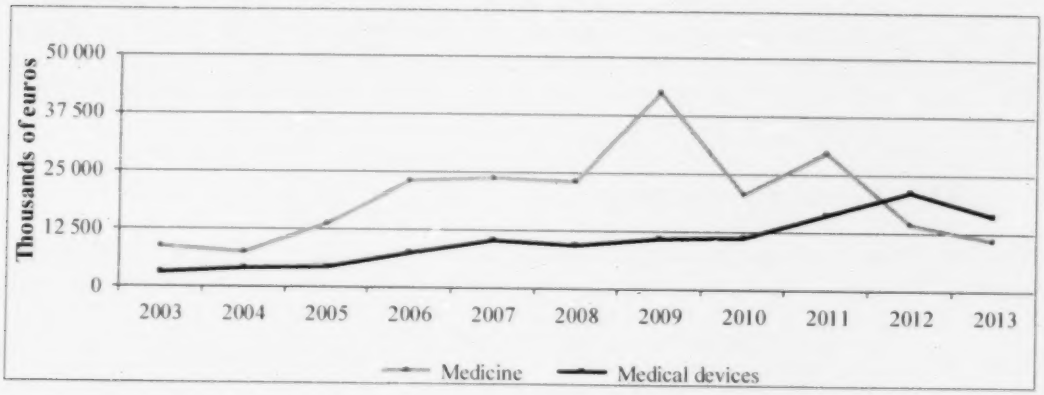
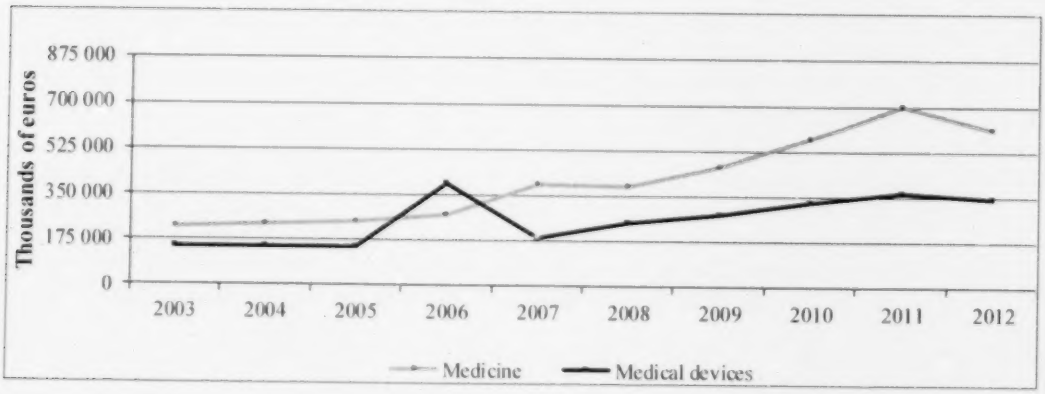


Figure XI
European Union medical exports, 2003-2012

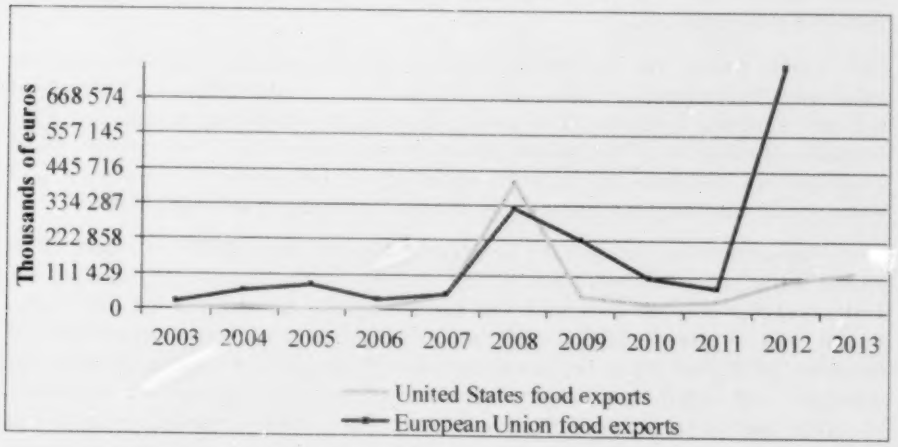


[47] Press TV, "West lies about medical sanctions: Iran health minister", 2 May 2014. Available from www.presstv.com/detail/2014/05/02/360982/iran-minister-slams-western-lies/.

94. According to information submitted to the Special Rapporteur, a number of studies also identify perceptions that international financial transactions with the country entail high and/or unacceptable levels of business risk as a significant deterrent for humanitarian trade, the exceptions contained in the various sanctions regimes notwithstanding. They generally conclude that trade impediments primarily create shortages for highly advanced medications that are subject to patents.

95. It is also consistently reported that the sanctions regimes are difficult to understand and to navigate for potential commercial buyers and sellers. Recent moves by the Government of the United States in connection with the Islamic Republic of Iran (e.g. issuing general licences for food and medicine, expanding the list of eligible medical supplies, issuing guidance regarding permissible activities by non-United States persons and stating that it will identify a dedicated financial channel for humanitarian trade) suggest a possible recognition of the complexity of sanctions and a potential attempt to confirm and clarify permitted activities relating to humanitarian trade. To date, there has been no additional detail publicized regarding the proposed financial channel for humanitarian trade.

Figure XII
United States and European Union food exports, 2003-2012



96. Nevertheless, there appear to be signs of improvement in the country's economic situation since negotiations with the P5+1 countries (China, France, Germany, Russian Federation, United Kingdom and United States) led to limited sanctions relief in February 2014. A study conducted for the Expediency Discernment Council concluded that, from March 2011 to 2013, economic losses resulting from sanctions totalled $250 billion and that losses sustained between March 2013 and March 2014 ranged from $160 billion to $200 billion.

97. The International Monetary Fund has conducted its first assessment of the country since international sanctions reportedly first began to constrict investment and exports. It estimated that the country's economy would grow by 1 to 2 per cent

in 2014, after contracting by roughly the same rate for the past two years.[48] While the country's inflation rate remains above 25 per cent, it has shown signs of recovery from 45 per cent in 2013. Nevertheless, according to the *Financial Times* on 25 October 2013, consumer prices reportedly continue to place a strain on households.

V. Conclusions and recommendations

98. **The Special Rapporteur reiterates his view that the Islamic Republic of Iran possesses the basic tools necessary to address a wide range of recurrent human rights concerns raised by the international community. Such concerns include, but are not limited to, the five United Nations human rights conventions that comprise the country's international obligations. Progress on the 123 recommendations made by States during the first consideration of the country by the Working Group on the Universal Periodic Review, in 2010, has been slow.**

99. **The rise in executions for crimes that do not meet the threshold of "most serious crimes", reports about the pervasive use of torture and the continuing arbitrary arrests, detention and prosecutions of individuals for exercising their fundamental rights severely contravene the Government's international and national commitments.**

100. **Furthermore, the uneven application of national laws and an apparent reluctance to investigate claims of rights violations both undermine the rule of law and cultivate a culture of impunity. Iranian laws continue to contradict the freedom of religion of recognized and unrecognized religious minorities, while communities continue to report arrests and prosecution for worship and participation in religious community affairs, including in private homes.**

101. **Similarly, concerns persist in terms of social and economic rights, first raised during the consideration of the country by the Working Group on the Universal Periodic Review and the review by the Committee on Economic, Social and Cultural Rights. Further legislative and policy developments between 2010 and 2014 represent additional obstacles to the realization of economic and social rights. They include laws that may increase the incidence of early marriage, university policies that discriminate against women and legislative proposals that ostensibly exclude more than 4 million unmarried women between 19 and 54 years of age from participating in the workforce. Other laws appear to eliminate access to reproductive health services, including vasectomy and tubal ligation, for all Iranians.**

102. **The Special Rapporteur reiterates the call upon the Government to incorporate the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights into national law, to establish an independent national human rights institution, as it pledged when the country was first considered by the Working**

[48] Ian Talley, "Iran's economy improving amid nuclear talks", *Wall Street Journal*, 12 February 2014. Available from http://online.wsj.com/news/articles/SB10001424052702303704304579378871594319850. See also Joy Gordon, "The human costs of the Iran sanctions", 18 October 2013. Available from http://mideastafrica.foreignpolicy.com/posts/2013/10/18/the_human_costs_of_the_iran_sanctions.

Group on the Universal Periodic Review, and to end all forms of discrimination in law and practice that undermine the full enjoyment of rights guaranteed by those two covenants, regardless of gender, ethnicity, religion, belief or opinion.

103. The Government should consider extending the de facto moratorium on stoning. The continued failure of the judiciary to guarantee due process rights, the frequent application of the death penalty for crimes that do not meet the internationally permissible threshold for capital punishment and the imposition of the death penalty on juvenile offenders warrant an immediate and unconditional halt to such practices.

104. The Special Rapporteur also echoes the call of the Human Rights Committee to ensure the independence of the judiciary and to investigate all allegations of torture and mistreatment of detainees.

105. He further repeats his call for substantive engagement and cooperation between the Government and the United Nations human rights mechanisms, including compliance with the findings of the Working Group on Arbitrary Detention, which has identified a number of cases of arbitrary detention. He appeals for the unconditional release of all those detained for the peaceful exercise of their rights to freedom of expression, assembly and association, conscience and political opinion, in particular journalists, human rights defenders, adherents of recognized and unrecognized religions and the leaders of the Baha'i faith.

106. The Government should take immediate steps to address the increasing incidence of early and forced child marriage, in particular by banning child marriage and raising the minimum age for marriage to 18 years, as specified in a number of laws identified in the country's submission to the Committee on the Rights of the Child. He further appeals for efforts to define and criminalize domestic violence and to expand the definition of rape to encompass marital rape to be expedited. He asserts, however, that, while domestic violence is an egregious act, it does not constitute a lethal action required for the application of capital punishment under international law.

107. The Special Rapporteur is also deeply concerned about the impact of deteriorating environmental conditions, including the imminent destruction of Lake Urmia and the Hamoun wetlands on the human rights of individuals in surrounding communities. He calls upon the Government to take immediate and effective steps to stop and reverse the desiccation of Lake Urmia and upon the international community to support the conservation efforts further.

108. Likewise, while modest improvements in terms of the humanitarian impact of economic sanctions have been observed, there are reports of continuing negative effects that may result from banking sanctions. Until financial institutions develop a level of comfort with permissible activities relating to humanitarian trade, the risk/benefit analysis will often lead institutions to decline to support transactions involving the Islamic Republic of Iran, even though such transactions are permissible under the sanctions regimes. The proposed dedicated financial channel that may emerge as a result of the continuing P5+1 negotiations could remove some of the perceived risk for financial institutions regarding their involvement in humanitarian trade. If understood and used, this may lead to increased humanitarian trade. Until such

a time, however, transactions relating to humanitarian trade may remain commercially unappealing and potential buyers and sellers may not be able to find financial institutions and other third parties to support them. The Special Rapporteur joins the Secretary-General in calling upon the international community to continue to take effective steps to alleviate the humanitarian impact of economic sanctions.

United Nations A/69/357

General Assembly

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31 July 2014

Original: English

Sixty-ninth session
Item 66 of the provisional agenda*
Rights of indigenous peoples

Note verbale dated 18 July 2014 from the Permanent Mission of Cuba to the United Nations addressed to the Secretary-General

The Permanent Mission of Cuba to the United Nations presents its compliments to the Office of the Secretary-General and has the honour to request that the present letter and the statement of the International Colloquium on Indigenous Cultures entitled "Present challenges of the indigenous peoples of America" (see annex) be circulated at the earliest opportunity as a document of the sixty-ninth session of the General Assembly, under item 66.

The statement is considered to be an important contribution to the forthcoming World Conference on Indigenous Peoples, to be held in September, and transmits the sincere commitment of many countries in the region to the promotion and protection of the rights of indigenous peoples and the full realization of those rights, as well as the joint efforts of countries and representatives of indigenous peoples.

* A/69/150.

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Annex to the note verbale dated 18 July 2014 from the Permanent Mission of Cuba to the United Nations addressed to the Secretary-General

[Original: English and Spanish]

Statement of the International Colloquium on Indigenous Cultures entitled "Present challenges of the indigenous peoples of America"

The International Colloquium on Indigenous Cultures entitled "Present challenges of the indigenous peoples of America", held in Havana from 5 to 9 August 2014, was attended by representatives of the Amuzga, Asháninka, Aymara, Caribe, Colla, Kichwa, Kuna, Mapuche, Maya k'iche', Maya kaqchikel, Miskito, Nahua, Pemón, Quechua and Taíno indigenous peoples, who came from Argentina, Bolivia, Canada, Chile, Ecuador, Guatemala, Nicaragua, Mexico, Panama, Peru, Trinidad and Tobago, Venezuela and Cuba, as well as by representatives of the States of Bolivia, Guatemala, Trinidad and Tobago and Cuba. During the event, the main problems faced by the indigenous peoples of the continent were debated in the very voices of the protagonists.

One of the essential themes was the organizational process for the high-level plenary meeting of the General Assembly known as the World Conference on Indigenous Peoples, to be held on 22 and 23 September 2014 at United Nations Headquarters with the purpose of evaluating the instruments of the United Nations Declaration on the Rights of Indigenous Peoples.

Taking into consideration the availability of a so-called "zero draft" of the final document to be adopted by the General Assembly on 22 September 2014, which was analysed at the Colloquium, the following remarks were made:

- While the existence of a "zero draft" was valued positively, there was concern regarding the wording of some aspects that might rewrite the minimum norms contained in the United Nations Declaration on the Rights of Indigenous Peoples. It was argued that there was a need to strengthen the language of certain elements of the draft;
- Member States, the United Nations system and indigenous peoples themselves were urged to review and create the pertinent conditions and mechanisms for full and effective participation, which should be among peers, representative, generational and on an equal footing;
- It was confirmed that the United Nations Declaration on the Rights of Indigenous Peoples was an essential instrument of human rights;
- The importance of international cooperation to achieve effective implementation of the United Nations Declaration on the Rights of Indigenous Peoples was emphasized;
- Aspects related to the possible results of the World Conference were highlighted and viewed as confirming, to a large extent, the advances made during the first and second decades of the world's indigenous peoples. The pressing need for new commitments from Member States for the effective implementation of the United Nations Declaration on the Rights of Indigenous

Peoples, particularly through the creation of evaluation and monitoring mechanisms, was underlined;

- A call was made for decisive commitments made at other international forums and events that have been taking place as part of the process to be included, mainly the recommendations resulting from the Global Indigenous Preparatory Conference for the World Conference on Indigenous Peoples, held in Alta, Norway, from 10 to 12 June 2013;
- It was decided to promote content that would make it possible to overcome the discrimination and violence directed against indigenous peoples;
- The mass media were also urged to disseminate, in a responsible and ethical manner, information on the process and results of the World Conference;
- Interest was expressed in the celebration of a world summit of indigenous peoples;
- The importance of drawing up a schedule towards the adoption of an international convention on the rights of indigenous peoples was evaluated;
- A plea was made for States to demonstrate the will and political sensibility needed to arrive at concrete results during the World Conference that are oriented towards an action plan that will not imply a regression with regard to the United Nations Declaration on the Rights of Indigenous Peoples but will substantially fulfil the expectations of indigenous peoples regarding individual and collective rights;
- Member States were urged to ensure the participation of representatives of organizations of indigenous peoples during the negotiation process and the World Conference. Likewise, the countries of the group of friends of indigenous peoples were encouraged to continue supporting the demands and proposals of those peoples.

It was decided to submit the above considerations as a contribution to the third session of interactive consultations to be held, as part of the preparatory process, at United Nations Headquarters starting on 18 August 2014.

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Item 18 of the provisional agenda*
Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development

Report of the Secretary-General**

Summary

Pursuant to General Assembly resolution 68/204, the present report provides an assessment of the current state of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development in the key substantive areas: mobilizing domestic financial resources for development; mobilizing international private resources for development; international trade as an engine for development, international financial and technical cooperation for development; external debt; and systemic issues. As noted in the Doha Declaration, numerous challenges have emerged since the adoption of the Monterrey Consensus. The third International Conference on Financing for Development, to be held in Addis Ababa, in July 2015, will provide a timely opportunity to enhance efforts across all the financing streams for sustainable development, in an integrated manner, towards the implementation of the post-2015 development agenda. Section VII of the report, "Staying engaged", presents an update on the intergovernmental follow-up processes in the lead-up to the Conference.

* A/69/150.

** The present report was prepared in consultation with staff of the major institutional stakeholders involved in the financing for development process. Responsibility for its contents, however, rests solely with the United Nations Secretariat.

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I. Mobilizing domestic financial resources for development

1. Domestic resource mobilization represents the most significant source of financing for most countries. Since the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, significant efforts have been made by developing countries to enhance their ability to effectively mobilize domestic financial resources for development. Progress has been evident in raising both public and private resources. However, progress has not been uniform across countries, and more needs to be achieved to finance sustainable development across its economic, social and environmental dimensions.

Public domestic finance

2. Domestic finance represents the greatest share of financing sources for most countries. However, it remains insufficient to meet sustainable development needs, and gaps persist between developed and developing countries' capacity to raise public revenues. The median tax-to-gross domestic product (GDP) ratio in low-income countries is about half the median ratio in high-income countries. There is also a significant difference between low-income and middle-income countries.[1]

3. Domestic resource mobilization needs to be viewed in the context of differing capacities of countries. Countries successful in raising revenues have done so through a wide range of measures, including strengthened tax administration, a widening of the tax base, increased revenue from value added tax (VAT), robust receipts from corporate income taxes, and, to a lesser extent, personal income taxes. Many developing countries have significantly improved their tax administration within the last 5-10 years.[2] For example, the average time to prepare, file and pay (or withhold) taxes decreased by almost 20 per cent from 2005 to 2013 in developing countries.[3] Countries that have succeeded in raising revenues have often used innovative mechanisms and experiments, including the use of lotteries, transparency initiatives, and new technology. However, major challenges remain. In particular, revenue administrations in many developing countries remain affected by under-resourcing, misallocation, and weak mid-level skills.

4. Tackling illicit financial flows, along with domestic tax evasion and avoidance, remains one of the biggest challenges in mobilizing domestic revenues for developing countries. The Monterrey Consensus committed countries to strengthening international tax cooperation through enhanced dialogue among national tax authorities and greater coordination of the work of the concerned multilateral bodies with a special focus on the needs of developing countries. It also called for enhanced efforts to repatriate illicitly acquired funds to countries of origin. More needs to be done in these areas.

5. G20 leaders have endorsed the Organization for Economic Cooperation and Development (OECD) Action Plan on Base Erosion and Profit Shifting and automatic exchange of information. Further work can be undertaken on beneficial ownership transparency, transfer pricing regulations, country-based reporting and

[1] United Nations System Task Team Working Group on Financing for Sustainable Development, "The variety of national, regional and international public sources for development finance", Background paper (chap. 2), 2013.

[2] IMF, Tax Administration Diagnostic Assessment Tool, 2014, http://www.tadat.org/.

[3] OECD, Revenue Statistics, accessed on 10 July 2014, http://stats.oecd.org/Index.aspx?DataSetCode=REV.

non-economic reporting. The international community can support developing countries in enhancing their taxation capacities and strengthening anti-money-laundering measures, mutual legal assistance and the exchange of information between countries. The United Nations, with its universal membership and legitimacy, could strengthen international cooperation in this area, working with the G20, OECD, the International Monetary Fund (IMF), the World Bank and relevant regional forums. Discussions on how to move intergovernmental cooperation forward in this area should continue. In addition, international dialogues can be important tools for enhancing collaboration and sharing examples of successful reforms, as well as failures.

6. On a domestic level, illicit flows are often associated with domestic corruption. To advance the fight against corruption, all countries should ratify and implement the United Nations Convention against Corruption.

7. In terms of using public finance to advance sustainable development, some countries have begun to incorporate sustainable development criteria into the budgeting process. Some have introduced more sustainable procurement policies, based on minimum environmental and social standards for public sector suppliers. A small number of countries have reduced or completely removed harmful and inefficient subsidies, such as fossil fuel subsidies. However, they need to be implemented with compensatory measures for the people living in poverty.

8. The progressivity of the tax system can improve the distribution of income and stimulate the economy.[4] Efforts should also be made to introduce "social protection floors". Full and productive employment and decent work is the most important form of income security. Macroeconomic and fiscal policies that promote full and productive employment, as well as investment in human capital, are therefore central to poverty reduction and increased equality.

9. Ultimately, domestic resource mobilization is generated by sustained and equitable economic growth, so that macroeconomic policies play an important role. During the past decade, many developing countries strengthened macroeconomic and fiscal management, with an increasing number of countries in a position to be able to implement countercyclical fiscal policies.

Domestic financial sector resources

10. The Monterrey Consensus recognized the need to strengthen and develop the domestic financial sector in developing countries, and stressed the importance of encouraging the orderly development of capital markets. Indeed, from 2000 to 2013, private credit to GDP increased from an average of 19 per cent to 33 per cent in low-income countries, and from 52 per cent to 82 per cent in middle-income countries.[5] Nonetheless, in many developing countries, especially low-income countries, commercial banks remain the main provider of credit, with private bond markets underdeveloped or non-existent. For example, while private debt securities represent an average of 34 per cent of GDP in high-income countries, they represent

[4] Joseph E. Stiglitz, "Reforming Taxation to Promote Growth and Equity", White Paper, Roosevelt Institute, 2014.

[5] World Bank, *World Development Indicators, 2013*.

only 9 per cent in middle-income countries, and are close to zero in low-income countries.[6]

11. Deeper capital markets should provide a conduit for the long-term investment necessary for sustainable development. Nonetheless, there is a risk that such nascent markets will attract speculative capital, leading to short-term bubbles and shocks to the real economy. It is therefore important for countries to design a strong regulatory framework, potentially including capital account management tools, as discussed below.

12. Building a domestic institutional investor base could help provide a stable source of investment. The presence of institutional investors in developing countries is still significantly lower than in high-income countries. However, there are important exceptions, such as South Africa[7] and Chile, where pension assets are at about 60 per cent of GDP, in line with some developed countries, although still below levels in major developed-country markets, which range from 70 per cent to over 100 per cent of GDP.[8] In most developing countries, building an institutional investor base will require upgrading expertise and skills, as well as reforms in licensing, portfolio requirements and changes to security laws.[8] Nonetheless, even in developed markets, institutional investors, including pension funds, do not necessarily invest with a long-term investment horizon, as discussed below. Policymakers thus need to consider measures to incentivize longer-term investment and investment in sustainable development.

13. At the same time, it is important for countries to continue to strengthen the formal banking sector. More than half of the working-age adults in the world are currently "unbanked" by formal providers, with the vast majority in developing countries. Important progress has been made in providing financial services for people living in poverty, including through microfinance institutions, cooperative banks, postal banks and savings banks, mobile banking as well as commercial banks, but more needs to be done, including by using new technologies to reach the underserved communities. In addition, credit to small and medium-sized enterprises (SMEs) is insufficient. In most countries, SMEs are main drivers of innovation, employment and growth, yet approximately 200 million enterprises in emerging markets lack adequate financing and financial services.

14. Deepening of financial sectors has frequently been associated with stronger economic performance.[9] However, there are important caveats to this. Although research is preliminary,[10] it appears that for countries with shallow financial markets, a larger financial system implies greater productivity growth, but in more developed markets this relationship is unclear. In particular, financial instability and risk do not decrease with financial sector depth. One possible explanation for this is

[6] World Bank, *Global Financial Development Database*, April, 2013.

[7] OECD, "The Role of Banks, Equity Markets and Institutional Investors in Long-Term Financing for Growth and Development," report submitted at the Meeting of the G20 Finance Ministers and Central Banks Governors, February 2013.

[8] Andrew Sheng, "Outlook for Global Development Finance — Excess or Shortage?", background research paper submitted to High Level Panel on the Post-2015 Development Agenda.

[9] R. Levine, "Finance and Growth: Theory and Evidence", in *Handbook of Economic Growth*, ed. Philippe Aghion and Stephen Durlauf, edition 1, chap. 12 (Amsterdam: North-Holland Elsevier, 2005).

[10] Stephen G. Cecchetti and Enisse Kharroubi, "Reassessing the impact of finance on growth", BIS Working Papers No. 381, Bank for International Settlements, 2012.

that growth in credit is not sufficiently directed towards productive investments. In addition, there is some evidence that industries that compete with the financial sector for resources, such as research and development-intensive industries, have been especially impacted,[11] with important implications for investment in low-carbon technology.

15. Importantly, good governance and an enabling environment are crucial for effective mobilization of domestic financial resources and establishment of an inclusive financial system. Though more needs to be done, many developing countries have made progress in this respect, especially in the area of legal and regulatory reform, improving the provision of information, and promoting the ease of doing business. For example, since 2005, the average time to start a business has fallen from 50 to 30 days, with the average falling by half in low-income countries.

Blended finance

16. Over the last decade, public-private partnerships (PPPs), equity investments, guarantees and insurance have become increasingly looked to as mechanisms for using official resources (both domestic and international) to leverage private financing through risk-sharing between the public and private sectors. Such mechanisms can help overcome the constraints that have prevented banks and investors from financing projects with the potential to promote sustainable development. However, it is important that such mechanisms learn from success and failures of the past. Poorly designed PPPs and other blended structures can lead to high returns for the private partner, while the public partner retains all the risks. To be effective, the design of these mechanisms needs to be based on a deeper understanding of the underlying incentives of the private partner as well as the risks of the projects. International institutions, such as the United Nations, can help set up platforms for dialogue and information sharing, so that countries can learn from each other's successes and failures.

II. Mobilizing international resources for development: foreign direct investment and other private flows

17. The Monterrey Consensus emphasized the potential contribution of private international capital flows to enhance productivity transfer technology and create jobs, particularly when invested in line with national development priorities. Indeed, there has been a strong upward trend in international private capital flows to developing countries over the last decade. Net private financial flows to developing countries increased from $188 billion in 2003 to $420 billion in 2013, with flows coming from an increasing diversity of sources, including South-South flows. However, the effect of the growth of investment has been less clear, as not all flows have the same developmental impact. In particular, some flows have been subject to great volatility over this period.

[11] Seo, Hwan Joo et al. "Financialization and the Slowdown in Korean Firms' R&D Investment", *Asian Economic Papers*, 2012, vol. 11, issue 3; Stephen G. Cecchetti and Enisse Kharroubi, "Reassessing the impact of finance on growth", BIS Working Papers No. 381, Bank for International Settlements, 2012.

18. Of the individual components of private capital flows to developing countries, foreign direct investment (FDI) has exhibited the largest net increase over the last decade. Gross FDI inflows to developing economies reached a new high of $778 billion in 2013, up from $197 billion in 2003. Nevertheless, FDI to developing countries has been concentrated in a few countries and sectors particularly in Asia and Latin America. Flows to Africa increased in the last decade, from $18 billion gross in 2003 to $57 billion in 2013.[12] They remain limited but are increasingly directed to services and manufacturing.[13]

19. In addition, greenfield FDI to developing countries, the form of FDI that has the most impact on sustainable development, has fallen by more than 50 per cent since the crisis, signalling a potential reduction of the positive impact of FDI on the real economy. Although the value of announced greenfield projects to least developed countries increased by 9 per cent in 2013, it remains significantly below historical levels. At the same time, there is evidence that a sizeable proportion of the increase in FDI flows to developing countries has been in intra-company loans, which are often short-term and not investment oriented. They have also been highlighted as one way that transnational corporations avoid taxation in developing countries.[14] In addition, host Governments should require all companies, including foreign investors, to meet the core labour standards of the International Labour Organization.

20. There are many reasons for the low level of long-term direct investment. It is well-known that an enabling environment, including the policy, legal, regulatory and institutional environment reduces risks associated with investment, and is thus critical to increase investment. Similarly, corruption is often a major deterrent to long-term investment. Furthermore, investors often point out that a major impediment to investment is the lack of "bankable projects" competitive with other investment opportunities, underscoring the need for capacity development for project preparation in many countries.

21. Outward FDI from developing countries has increased sharply, reaching $454 billion in 2013, with outflows from the BRICS countries (Brazil, Russia, India, China and South Africa) alone amounting to $200 billion in 2013.[13] It is thought that the scope for beneficial linkages and technology absorption arising from South-South FDI is increased by the fact that the technology and skills of developing-country transnational corporations are often closer to those used by firms in host countries.[15]

22. Cross-border bank flows to developing countries have demonstrated particularly high volatility, and have remained subdued in the years following the crisis as a number of international banks — particularly in Europe — have continued to be saddled with financial difficulties, non-performing loans and deleveraging pressures. In particular, this has affected long-term financing for

[12] United Nations Conference on Trade and Development, UNCTADstat: World Statistical Database, 2014.

[13] UNCTAD, *World Investment Report, 2014* (United Nations Sales publication, Sales No. E.14.II.D.1).

[14] OECD, Part 1 of a report to G20 Development Working Group on the Impact of Base Erosion and Profit Shifting (BEPS) in Low-Income Countries, 2014.

[15] United Nations Industrial Development Organization, Industrial Development, Trade and Poverty Reduction through South-South Cooperation, 2006.

infrastructure projects in emerging market and developing countries, a significant portion of which had previously been provided by large developed country banks. There is moreover a concern that the new Basel III capital adequacy rules might, by raising the cost of long-term and riskier lending, have the effect of further limiting the availability of long-term financing, which could have a negative impact on infrastructure and green investments. Similarly, with know-your-customer rules becoming a focus of advanced economy regulators, access to the global financial system for some least developed countries is becoming curtailed and/or more expensive. Reduction in corruption in these countries could help alleviate some of these pressures.

23. Institutional investors, who are estimated to hold between $75 trillion and $85 trillion in assets, are often referred to as a potential source of long-term investments in sustainable development. Some investors, such as pension funds, life insurance companies, and sovereign wealth funds, which together hold about $60 trillion in assets, have long-term liabilities that are well-suited to invest with longer-time horizons. Yet, even these long-term investors currently do not invest sufficiently in the long-term direct investment necessary for sustainable development, in both developed and developing countries — across a wide range of institutional and regulatory structures. For example, investment in infrastructure globally represents less than 3 per cent of pension fund assets.[16] While investment is limited in both developed and developing countries, investment in infrastructure is particularly inadequate in some developing countries, as well as in low-carbon infrastructure. There are often a range of risks associated with these investments, so that investors demand extremely high expected returns. There is thus an important role for Governments and IFIs in these areas, including through risk-sharing mechanisms, as discussed under blended financing. In particular, IFIs and Governments could support clean energy projects, where in many cases the expected financial returns are lower than the expected returns on conventional power projects, at least in the near term, but which, nonetheless, might offer greater societal benefits.

24. In addition, one impediment to long-term direct investment by institutional investors is that many investors do not have the capacity to do the necessary due diligence to invest directly in infrastructure. For all but the biggest investors creating such capacity is likely to be cost prohibitive. Instead, institutional investors make these investments through secondary financial intermediaries, whose incentives tend to be much shorter term. An alternative would be for investor groups to build joint platforms, e.g., for clean infrastructure investments. In addition, other regulatory reforms, such as adjustments to mark-to-market accounting rules, and changes to the structure of investment manager incentives can help incentivize greater long-term investment.

25. The short-termism of institutional investors is to some degree reflected in the trends in portfolio flows to developing countries, which have been highly volatile. For example, after a net outflow of portfolio investment of $36 billion in 2008, net portfolio inflows peaked in 2012 at $165 billion, but fell to $116 billion in 2013.[17] The nature of portfolio investment in emerging markets has evolved over the past

[16] United Nations Department of Economic and Social Affairs, *World Economic Situation and Prospects, 2014* (United Nations Sales publication, Sales No. E.14.II.C.2).

[17] United Nations estimates based on *IMF World Economic Outlook Database*, April 2014.

decade, as the share of emerging market bonds and equities in global investors' portfolios has risen sharply, supported by their growing importance in the world economy and their deepening financial sectors. While the increased participation of foreign investors in domestic capital markets can be beneficial, it can also increase the potential for instability and contagion, as highlighted by the pattern of expansion and retrenchment in portfolio flows. Macro-prudential measures, capital account management techniques, and foreign exchange interventions can help to reduce the volatility of capital flows, and should thus be seen as an essential part of the policy toolkit to combat capital flow surges and outflows. In addition, given the cross-border spillover effect of monetary policy decisions in the advanced economies, better international and regional coordination of monetary and capital account policies and better management of global liquidity are needed.

III. International trade as an engine for development

26. Since the Monterrey Conference, the share of developing countries' exports in the value of total world exports has increased, from about 32 per cent in 2000 to about 45 per cent in 2013.[18] South-South trade has also expanded, rising from one fifth to approximately one fourth of world trade in the past decade, accounting for roughly the same share of trade as North-North trade in 2012. Nonetheless, progress in the area of international trade has been uneven.[16] Least developed countries trade was strongly impacted by the global economic slowdown and their share in world trade in goods and commercial services remains low at 1.14 per cent of world trade.[19] The international community has failed to reach a successful conclusion to the Doha round of trade negotiations, owing to significant differences over the balance to be struck in the liberalization of trade in agriculture, services and industrial goods. The failure to reach a comprehensive multilateral trade agreement has encouraged the proliferation of bilateral, regional and interregional free trade agreements, which risk further fragmenting trade rules and increasing the marginalization of the smaller and more vulnerable countries.

27. Furthermore, the financial and economic crisis had a significant adverse impact on international trade. World trade grew about twice as fast as GDP from the 1990s through 2009, but collapsed in 2009, and trade growth has been anaemic since then. Real exports are forecast to grow by 4.1 per cent in 2014, still below the pre-crisis trend of double the global output growth.[20] At the same time, trade in services continues to expand at a faster pace than merchandise growth, owing for the most part to the rise of global value chains, which rely on services, such as information and communications technology, communication, logistics and transport. The share of services amounts to about 20 per cent of gross exports, but 46 per cent of value-added in exports.[16]

28. Given the sluggish global recovery, it is too early to assess whether the continuing low levels of the ratio of world trade growth to GDP growth is a function of cyclical or structural factors (such as subtle protectionism and the spread of

[18] UNCTAD, *Trade and Development Report, 2013* (United Nations publication, Sales No. E.13.II.D.3).

[19] World Trade Organization, Note by the Secretariat, "Market access for products and services of export interest to least developed countries", 2013.

[20] *World Economic Situation and Prospects 2014, update as of mid-2014*.

supply chains) and whether earlier trade growth rates will return in the medium and long run. Nonetheless, the slowdown in trade growth highlights the risks associated with export-oriented growth strategies in developing countries, and points to the need for a greater reliance on domestic and regional sources of demand.

29. Supporting trade growth by avoiding protectionism and by upgrading the rules for an open, fair and development-oriented international trading regime in the spirit of the Doha Development Round is critical. The vast majority of trade restrictive measures taken since the global crisis still remain in place, according to the World Trade Organization (WTO), with only one fifth having been removed as of May 2014.[21] At the same time, there is a lack of information regarding other types of actions affecting trade in goods and services, especially subsidies and other support measures.

30. The multilateral trade agenda received a boost when the WTO Ninth Ministerial Conference, held in Bali, Indonesia, in December 2013 produced an important package of agreements. The "Bali package" contains 10 ministerial decisions, aimed at reducing trade transaction costs, addressing certain developing-country trade concerns in agriculture, enhancing least developed country trade and establishing a mechanism to monitor the functioning of existing development provisions in WTO agreements. Unfortunately, progress in the implementation of the Bali package has stalled over the demands of a few developing countries to secure more permanent exemptions from challenges to their public stockholding schemes for food security purposes. As a result, the trade facilitation agreement missed its first implementation deadline on 31 July 2014. The Agreement on Trade Facilitation aims to simplify and modernize customs procedures and holds great potential to increase the trade competiveness of developing countries. Finding a solution on the Bali package in the short term would allow the international community to focus its efforts on establishing a work programme for tackling the rest of the core issues in the Doha development agenda as mandated by ministers in Bali, thereby preserving development at the centre of the negotiations and ensuring clear results for the poorest countries.

31. The alternative to progress in advancing a multilateral trade agenda would be the continued proliferation of bilateral, regional and interregional free trade agreements. Regional trade agreements have increased since the early 1990s. As of June 2014, some 585 notifications of regional trade agreements were received by GATT/WTO, of which 379 were in force. By allowing member countries to depart from the "most favoured nation" principle, regional trade agreements threaten to further fragment trade rules and undermine the consistency of the multilateral system. In addition, regional trade agreements and free trade agreements are not negotiated under a development mandate and thus may not adequately consider the sustainable development implications of their provisions.

32. The prevalence of global value chains and the intensified transport of goods within such chains produces significant carbon dioxide emissions. Transport associated with merchandise trade alone may contribute to more than 7 per cent of global carbon dioxide emissions. The coherence between trade, transport and environmental policies needs to be increased, including through measures to reduce emission from freight transport. There is limited progress in negotiations on

[21] WTO, *Report on G-20 Trade Measures*, 2014.

environmental goods and services, with a small group of countries formally launching negotiations on an environmental goods agreement aimed at eliminating tariffs on a broad range of environmental goods in July 2014.

33. The rise of value chains has also led to a much tighter link between trade and FDI. This also has implications for the international investment regime. Since the Monterrey Consensus, international investment agreements have continued to increase in number, most of them in the bilateral sphere, but increasingly also at the regional level. By the end of 2013, almost every country was party to an international investment agreement and the overall number of agreements exceeded 3,200. This includes more than 2,900 bilateral investment treaties and more than 330 "other" international investment agreements. Today, international investment rule making is characterized by diverging trends: on the one hand, disengagement from the system, partly because of developments in investment arbitration; on the other hand, intensifying and up-scaling treaty-making. Negotiations of megaregional agreements are a case in point. Once concluded, they may affect global investment patterns and have systemic implications for the multi-layered international investment regime. Concerns about the functioning and impact of the international investment agreement regime are resulting in calls for reform. New international investment agreements already illustrate the growing tendency to craft treaties that are in line with sustainable development objectives. Multilateral discussions could explore a more holistic approach to designing investment frameworks that promote sustainable development and that are in line with the investment and development paradigm shift. The UNCTAD Investment Policy Framework for Sustainable Development could offer guidance in this regard.

34. Aid for trade, the category of official development assistance (ODA) that supports developing countries (particularly least developed countries) in addressing trade-related constraints and in strengthening their capacity, declined in 2011 before increasing in 2012, according to preliminary figures presented by OECD. However, the share of the least developed countries of total aid-for-trade flows fell 2 per cent in 2012 to $13.1 billion, or 24 per cent of the total, as the large increase in aid for trade was directed to middle-income countries, mainly in the form of loans. In recent years, there was also a shift from supporting large infrastructure projects towards building productive capacities, indicating the prioritization of private sector development by donors.

IV. Increasing international financial and technical cooperation for development

35. International public finance, and ODA in particular, remains a critical source of public financing for development, particularly for those countries that have limited capacity to raise public resources domestically, including the least developed countries and other vulnerable countries. At the same time, international public finance is increasingly looked upon to finance other global needs, such as global public goods and climate finance.

36. Since the 2000 Millennium Summit and the 2002 International Conference on Financing for Development, net ODA flows from all OECD Development Assistance Committee donors (OECD DAC) increased significantly, from $84 billion in 2000 to $134.8 billion in 2013. Although ODA fell in 2011 and 2012 in real terms, ODA

rebounded in 2013, rising by 6.1 per cent in real terms, to reach a record $134.8 billion. According to donor surveys, ODA is likely to increase further in 2014 and stabilize thereafter. Despite the increase in aid flows, many donors still fall significantly short of commitments. Five donors (Denmark, Luxembourg, Norway, Sweden and the United Kingdom) exceed the target of disbursing 0.7 per cent of their gross national income (GNI) as aid, but the combined DAC donors' ODA was equivalent to only 0.3 per cent of their GNI.

37. Overall, the share of ODA allocated to least developed countries fell in recent years, from 34 per cent in 2010 to 32 per cent in 2012. ODA to sub-Saharan Africa decreased by 4 per cent in real terms in 2013, to $26.2 billion. This worrying trend is projected to continue. DAC surveys on donors' forward spending plans indicate that aid flows[22] will increasingly focus on middle-income countries in the medium term, with further declines projected for least developed countries and low-income countries, particularly in sub-Saharan Africa.[23]

38. As concerns about environmental degradation and climate change have become increasingly urgent issues in international development, climate financing has taken centre stage. In the 2009 Copenhagen Accord of the United Nations Framework Convention on Climate Change, developed countries agreed to the joint mobilization of $100 billion annually by 2020 to address the needs of developing countries. A preliminary assessment of "fast-start finance" finds that $35 billion were mobilized between 2010 and 2012. Of these flows 80 per cent were also counted as ODA, and were paid out with similar modalities, largely through bilateral channels, with aid targeting environmental sustainability now representing a quarter of all bilateral aid.[24] Fast-start finance has benefited middle-income countries disproportionally, and is often focused on leveraging private financing flows.

39. While there are large overlaps between traditional development cooperation and climate financing, there are also important differences. Many adaptation projects have direct impacts on development. Others, while important for mitigation, might have a relatively smaller impact on alleviating poverty (per dollar spent). Nonetheless, to date, much climate financing in ODA has been broadly focused on mitigation, while financing for adaptation — critical for the most vulnerable countries — is more limited. The question of how to account for financing global public goods, such as climate financing, in development cooperation is currently part of ongoing discussions in DAC, as well as other discussions in the context of the post-2015 development agenda.

40. In addition to increasing the volume of aid flows, many countries have committed themselves to increasing the effectiveness of aid. Building on the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, the 2011 Busan Partnership agreement endorses four principles of effective development cooperation: ownership of development priorities by developing countries, focus on results, inclusive development partnerships, and transparency and accountability.

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[22] Surveys are focused on country programmable aid, which is generally considered to be a proxy for aid recorded at the country level.

[23] OECD, Outlook on Aid: Survey on donors' forward spending plans 2013-2016 (www.oecd.org/dac/aidoutlook)

[24] OECD, *Development Cooperation Report 2012: Lessons in Linking Sustainability and Development*.

Progress has been made in some areas such as untying aid, reporting ODA in the national budgets, and using country administrative systems in the management of aid-funded programmes and projects. Nonetheless, progress remains slow, and aid providers face heightened scrutiny from taxpayers, with implications for resource allocations, modalities for delivery and risk management.

41. In response to the rapid changes in the global development landscape and criticism of the existing ODA concept, the OECD DAC is undertaking a review of the measurement and monitoring of external development finance, including constructing a concept of "official support for development" that would be broader than ODA. Issues include the measurement of "donor effort" (or fiscal impact) of equity and mezzanine financing and of guarantees by donor-country development institutions, as well as the treatment of concessional loans in the measurement of ODA. Options for expanding the measure of total official support for development potentially include: financing at market rates (such as non-concessional loans), financing of "enablers of development" (such as outlays on peace and security), and private flows mobilized by public sector interventions. However, some developing countries fear that some of these new measures would be difficult to calculate and would inflate the headline numbers for assistance. In particular, there is a fear that including private financing would reflect benefits to companies in developed countries and potentially increase the use of "tied aid".

42. Over the last decade, South-South cooperation has continued to rise in scale and importance, together with growing South-South trade, investment and regional integration. Several non-DAC donors have dramatically scaled up aid in recent years. South-South concessional loans, grants and technical cooperation have reached between $16.1 billion and $19 billion in 2011, and are estimated to constitute 10 per cent of overall development cooperation (see E/2014/77). South-South cooperation tends to come with limited conditionality, although it is often tied to profit-oriented projects. It covers a wide range of sectors, but often focuses on infrastructure and production.

43. The Monterrey Consensus called for exploring innovative sources of financing. Although some of these sources, such as financial and currency transaction taxes or carbon taxes, have existed for decades, they are considered innovative in that they have not been implemented on a wide scale for global development. In addition to raising resources, many of these mechanisms also incentivize behaviour change, e.g., to encourage investments in green energy. To date, innovative mechanisms have been implemented on a relatively small scale, albeit with positive results. For example, nine countries have implemented the international solidarity levy on air tickets, the funds from which are contributed to UNITAID to help develop drugs to treat HIV/AIDS, malaria and tuberculosis. There are 11 countries using the euro currency that are currently envisioning a financial transaction tax from 2016, albeit without all countries earmarking funds for development or financing of global public goods as of yet. Overall, there are a number of proposals that are technically feasible and have the potential to raise significant revenues. It has been estimated that about $400 billion to $450 billion per year could be raised through a combination of new mechanisms.[25]

[25] *World Economic and Social Survey 2012: In Search of New Development Finance* (United Nations publication, Sales No. E.12.II.C.1).

V. External debt

44. The Monterrey Consensus called for new mechanisms to comprehensively address debt problems of developing countries, and welcomed consideration of an international debt workout mechanism to engage debtors and creditors in restructuring unsustainable debts in a timely and efficient manner. While there have been some important improvements in the debt architecture, significant gaps still remain. The Heavily Indebted Poor Countries (HIPC) and the Multilateral Debt Relief (MDRI) initiatives helped to resolve debt overhang in poor countries. However, HIPC is coming to a close. With the increase in private capital flows to developing countries, as well as lending from bilateral lenders of the South, the importance of the Paris Club is reduced. New issues in creditor coordination pose challenges for timely and adequate resolution of debt problems. In addition, there is a greater understanding of the cost delaying necessary default. Given the possibility of further potentially disruptive debt crises, the international community should make serious efforts to work towards a framework for timely, orderly and fair restructurings of sovereign debt.

45. HIPC and MDRI have written down debt in 35 low-income countries, with only Chad remaining in the interim phase receiving temporary relief. There are currently three more eligible countries that have not yet started the initiatives (Eritrea, Somalia and the Sudan). Nepal remains potentially eligible for the debt relief under the Initiative, while the potential eligibility of Myanmar and Zimbabwe has yet to be formally assessed.

46. On an aggregate level, the debt ratios for developing countries look benign at 22.6 per cent of external debt-to-GDP in 2013. Low-income countries register higher external debt-to-GDP ratios than middle-income countries at an average of 31.5 per cent in 2013, although a large portion of this is long-term debt at concessional interest rates. However, some developing countries, particularly small States, remain critically indebted. Small States have an average external debt-to-GDP ratio in 2013 of 57.7 per cent. Total public debt-to-GDP ratio for small States stood at 107.7 per cent, versus an average of 26 per cent for developing countries as a whole.

47. Many low- and middle-income countries are accessing international capital markets, some of them for the first time. For example, aside from South Africa, no other sub-Saharan country floated a bond issue internationally in 2010, but three did in 2011 and four did in 2012, raising about $2 billion in both years. A further six tapped international capital markets in 2013, raising almost $7 billion.[26] The issuance of public debt in domestic currencies (which, unlike external debt, does not subject the issuing Government to foreign exchange risk) has also grown, reflecting the development of local capital markets. For example, local currency government debt in sub-Saharan Africa increased from $11 billion in 2005 to $31 billion in 2012.[27] While this growth reflects improving credit fundamentals in many countries, excessive growth in both domestic and international debt also poses risks to financial and economic stability, underscoring the need for prudent debt management.

[26] IMF, *Global Financial Stability Report*, April 2014, Statistical Appendix, table 5.

[27] African Financial Markets Initiative, 2013 based on a sample of 29 sub-Saharan African countries.

48. Since the Monterrey Conference, changes in contractual terms to facilitate the so-called "voluntary" market-based restructuring process for sovereign bonds through the introduction of Collective Action Clauses and laying down voluntary principles for a code of conduct are marks of progress. Recent experience of restructuring, however, has shown that contractual technology has gaps, and that the existing debt architecture does not deliver on timeliness and fair burden sharing. The recent case of holdout creditors versus Argentina is feared to potentially increase the leverage of holdout creditors and risks the success of future debt restructurings.[28] While it is possible to strengthen Collective Action Clauses by agreeing on rules for their aggregation across series of bonds,[29] this will not affect all forms of debt, and only addresses issues pertaining to collective action.

49. Following the recent debt problems in the euro zone, which necessitated the largest IMF loans in history, along with the litigation by holdout creditors, there is renewed interest in improving the architecture for sovereign debt restructuring. Currently, discussions are ongoing in various forums, including in the United Nations system. UNCTAD published "Principles on Responsible Sovereign Lending and Borrowing" in 2012 and in 2013 has a project to identify and formulate a body of principles and rules on which a sovereign debt workout mechanism should be built. The Financing for Development Office of the United Nations Secretariat Department of Economic and Social Affairs organized a series of expert group meetings involving official and private sector experts to develop an understanding of the key issues to be resolved in sovereign debt restructuring and potential options going forward.[30] IMF is currently reviewing its lending framework in situations of sovereign debt distress, particularly in the context of exceptional access to Fund resources, and has presented preliminary considerations to its Executive Board to make the Fund's lending framework more flexible and calibrated to members' debt situations, and to thus enhance the ability of IMF to strike an appropriate balance between financing and adjustment.[31] A complementary paper will be issued in the next several months to the IMF Executive Board on reforms to contractual provisions to address collective action problems in the context of debt restructuring.

50. Overall, a timely reform of the architecture for debt restructuring is needed. Setting up universal rules that provide comprehensive and fair treatment for all components of debt will require continued discussions to reach intergovernmental agreement.

VI. Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

51. In the wake of the 2008 financial crisis, efforts were launched to improve the functioning, stability and resilience of the international monetary and financial

[28] In 2013, the World Bank and IMF reported that litigation was ongoing against eight HIPCs.

[29] The euro zone has already agreed on a model Collective Action Clause which has a two-staged voting structure for aggregation across different series of bonds.

[30] See reports of the Expert Group Meeting on www.un.org/esa/ffd and for identifications of problems and options going forward.

[31] See *Life After Debt: Debt Crises Origins and Resolutions*, eds. Joseph E. Stiglitz and Daniel Heymann (Palgrave Macmillan, 2014).

system. New coordination mechanisms were established, and regulatory reforms were initiated. However, systemic shortcomings remain that risk undermining the stability of the system and its effectiveness in mobilizing and allocating resources to finance sustainable development needs. To address this, additional initiatives are needed in key areas relating to international economic policy coordination, multilateral surveillance, the global financial safety net, global governance, and financial regulation. The international community needs to create an adequate international enabling environment and policy architecture that provides the policy space necessary to implement effective national sustainable development strategies.

52. Selected international country groupings, such as the Group of 20 (G20), have become important forums for international economic policy coordination. The G20 played a major role in providing a coordinated and effective response during the global crisis that proved to be instrumental in averting an even more serious downturn. However, recent years have witnessed monetary policy decisions in the advanced economies generating cross-border spillovers on developing countries. Indeed, during the past year, expectations of an end of quantitative easing in the United States led to a sharp depreciation in currencies and equity markets in Brazil, India, Indonesia, Mexico, South Africa and Turkey due to portfolio outflows. Given this, and the potential for contagion and instability, there is a need for better international coordination of monetary policies, management of global liquidity and communication.

53. A number of important steps have been taken in recent years by IMF to strengthen multilateral surveillance. A new legal framework was adopted in 2012 to better integrate bilateral and multilateral surveillance, and greater emphasis is being placed on risks, cross-border and cross-sectoral linkages, spillover effects of economic policies in the world's largest economies, as well as the linkages between the financial sector and the real economy. A formal strategy for financial sector surveillance was approved in 2012 and financial sector assessment programmes have become mandatory for 29 countries. The forthcoming triennial surveillance review will consider how effectively the new "integrated" surveillance framework is being implemented; examine the consistency and focus of IMF policy advice; and look at the even-handedness of IMF surveillance across its membership. Concurrently, a review of the financial sector assessment programme is being carried out.

54. Global imbalances on the current accounts of major advanced and emerging market economies have narrowed considerably from their peak in 2006-2007, however, some cases of new imbalances have emerged. The accumulation of international reserves continued in 2013 and central banks continue to hold a large proportion of global savings in the form of international reserves, with the five largest developing country holders of reserves accounting for 65 per cent of the developing country total reserve holdings. While for many countries reserves are a form of "self-insurance" against potential external shocks, their accumulation comes at an opportunity cost since these reserves could otherwise have been invested in sustainable development. In addition, reserve accumulation increases systemic risk at the international level, by adding to global imbalances. Several proposals have been put forward to reduce reliance on self-insurance, including making greater use of IMF special drawing rights (SDRs); enhancing the effectiveness and legitimacy of global financial safety nets, including IMF; and reducing risks in the international financial system.

55. A reliable global financial safety net, which can provide liquidity in times of systemic crisis, remains an important element in ensuring global financial stability. As part of its lending reforms following the global financial and economic crisis, IMF has introduced several new facilities with the aim of encouraging countries to seek assistance before they face a full-blown crisis (see A/69/188).

56. Since the global crisis, regional financial stability mechanisms have also been strengthened (such as the Latin American Reserve Fund or the Chiang Mai Multilateralization Initiative) to serve as a first line of defence against contagion from global crises. In addition, the BRICS have recently launched a New Development Bank and related Contingent Reserve Agreement. The Contingent Reserve Agreement is meant to help countries forestall short-term liquidity pressures and complement existing international arrangements.[32] The aim of the new development bank is to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging and developing economies. Similarly, a new Asian infrastructure bank is being considered. These efforts will need to be managed within the broader global financing architecture to ensure complementarities and coordination.

57. Strengthening international financial regulation is one crucial way of addressing the risks in the international financial system. In general, regulations and policies need to strike a balance between the safety of the financial system and ensuring sufficient access to credit. In recent years, the international community has taken important steps to strengthen the resilience of the financial sector through regulatory reform. To date, these reforms have focused on ensuring the safety and soundness of the financial system, primarily through regulation of the banking sector through Basel III, supplemented by a series of recommendations from the Financial Stability Board. Much progress has been made on this front and most large internationally active banks are on course to meet the new Basel III capital requirements in advance of the agreed deadline.[33] Further progress is needed in other aspects of the international regulatory agenda, including addressing problems created by systemically important institutions that are considered "too big to fail". There is also a need for stronger cross-border resolution regimes with fair burden sharing. The development and implementation of international financial regulation would also benefit from greater representation of and participation by developing countries in international financial regulatory bodies, such as the Bank for International Settlements, the Basel Committee on Banking Supervision and the Financial Stability Board, as well as technical assistance from other member countries.

58. The IMF and World Bank Group governance reforms in 2010 were important steps towards an improved governance structure considering representation, responsiveness and accountability. Governors also agreed in 2010 to conduct International Bank for Reconstruction and Development shareholding reviews every five years to reflect economic changes in IBRD shareholders. Despite an early 2014 deadline, the IMF quota and governance reforms agreed in 2010 still require ratification by the largest shareholder to enter into force, possibly imperilling efforts to agree a further round of needed reforms, which is due to be concluded in January 2015.

[32] BRICS Summit Declaration, 15 July 2014.

[33] Basel Committee on Banking Supervision, Progress report on implementation of the Basel regulatory framework, April 2014.

VII. Staying engaged

59. Pursuant to the General Assembly adopted resolution 68/279, "Modalities for the third International Conference on Financing for Development", the third International Conference on Financing for Development will be held in Addis Ababa, from 13 to 16 July 2015, at the highest possible political level, including Heads of State and Government and Ministers of Finance, Foreign Affairs and Development Cooperation. The Conference will result in an intergovernmentally negotiated and agreed outcome, as well as summaries of its deliberations. The scope of the Conference will focus on: (a) reviewing the implementation of the Monterrey Consensus and Doha Declaration on Financing for Development; (b) addressing new and emerging issues related to the mobilization and effective use of financial resources for sustainable development; and (c) reinvigorating the financing for development follow-up process. The outcome of the Conference should constitute an important contribution to and support the implementation of the post-2015 development agenda.

60. The preparation of the Conference, under the auspices of the President of the General Assembly, will include substantive thematic sessions and hearings of civil society and the business sector during the period from September 2014 to March 2015. A draft outcome document, to be prepared by two co-facilitators by February 2015, will be the subject of informal consultations and drafting sessions in January, April and June 2015. The Secretary-General is requested to prepare a note on the organization of work of the Conference and to provide support to the preparatory process and the Conference and to ensure inter-agency cooperation and effective participation and coherence within the United Nations system.

61. On 8 August 2014, the Intergovernmental Committee of Experts on Sustainable Development Financing, established at the United Nations Conference on Sustainable Development, held in 2012 in Rio de Janeiro, adopted its report proposing options on an effective sustainable development financing strategy to facilitate the mobilization of resources and their effective use in achieving sustainable development objectives. The report develops an analytical framework for financing sustainable development and suggests areas for advancement of the global partnership for sustainable development. It recognizes that there is no one simple policy solution and puts forth a basket of policy options for countries to choose from.

62. Along with the report of the Intergovernmental Committee of Experts on Sustainable Development Financing, the report of the Open Working Group on Sustainable Development Goals and the Secretary-General's synthesis report will serve as important input to the preparation of the third International Conference on Financing for Development.

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Programme budget for the biennium 2014-2015

Progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa, proposals for the renovation of conference facilities, including Africa Hall, and revised estimates relating to the programme budget for the biennium 2014-2015 under section 18, Economic and social development in Africa, section 33, Construction, alteration, improvement and major maintenance, and section 34, Safety and security

Report of the Secretary-General

Summary

Pursuant to section I of General Assembly resolution 63/263, in which the Assembly endorsed the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/63/465), progress reports are to be submitted annually to the Assembly for all ongoing construction projects.

The present report provides an update on the successful completion of the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa and the full occupancy of the premises in August 2014. It also presents the cost plan for project completion, which entails completion of the remaining ancillary projects and close-out in mid-2015.

In section III, paragraph 4, of General Assembly resolution 68/247, the General Assembly requested the Secretary-General, as a matter of priority, to ensure that the renovation of conference facilities at the Commission, in particular Africa Hall and Conference Room 1, was carried out and to report thereon to the General Assembly at its sixty-ninth session. The report sets out the findings of an assessment of the structural condition of the conference buildings and standard of facilities and presents the proposals of the Secretary-General for the renovation of the conference

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facilities, which include a proposed project scope, implementation schedule and cost plan for the renovation of the Africa Hall Building. An update on the progress of ongoing renovation work at the United Nations Conference Centre is also provided.

The Secretary-General requests an additional appropriation for the biennium 2014-2015 under section 18, Economic and social development in Africa, for an initial dedicated project management team and under section 33, Construction, alteration, improvement and major maintenance, for consultancy services related to the proposed renovation of the Africa Hall Building.

In addition, the Secretary-General proposes the establishment of an additional 18 security officer posts, effective 1 January 2015, under section 34, Safety and security, of the programme budget for the biennium 2014-2015, related to the increased safety and security operations for the new office facilities.

A decision by the General Assembly to approve the proposed renovation project for the Africa Hall Building and to establish a multi-year special account is required.

I. Overview

A. Additional office facilities

1. The present report provides an update on the successful completion of the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa since the previous report of the Secretary-General (A/68/517). There remains a small amount of ancillary project work to be finished, the completion of which is anticipated by June 2015.

2. By its resolution 56/270, the General Assembly approved the construction of additional office facilities at the Commission. Subsequently, in its resolution 60/248, the Assembly endorsed the expansion of the scope of the project to include the construction of two additional floors. In its resolution 62/238, the Assembly took note of the report of the Secretary-General (A/62/487) and endorsed the related recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/62/7/Add.11) for a revised cost estimate totalling $14,333,100.

3. In 2011, the Secretary-General confirmed that the additional funding necessary for the construction of the seventh floor had been made available in the total amount of $1,000,100, comprising $850,000 from the support account for peacekeeping operations in respect of the United Nations Office to the African Union and $150,100 from the budget for the African Union-United Nations Hybrid Operation in Darfur. Such funding permitted construction of the building in accordance with the scope of work. The approved funding for the project is $15,333,200.

4. After several delays, the new office facilities project achieved the "substantial completion" milestone on 19 June 2014 (see para. 37 for a definition) and the contractor was formally provided with a substantial completion certificate on 27 June 2014. The substantial completion was synchronized with the first move-in, where the United Nations Office for Project Services and the United Nations High Commissioner for Refugees Liaison Office to the African Union and the Economic Commission for Africa moved into the building, followed by the United Nations Office to the African Union (which includes the African Union-United Nations Hybrid Operation in Darfur) and the World Health Organization. The move-in of the United Nations Children's Fund was completed in August 2014.

B. Renovation of conference facilities

5. The present report provides the status of the renovation of the conference facilities, including the proposal of the Secretary-General for the renovation of the Africa Hall Building as a multi-year project from 2015 to 2021.

II. Update on the construction of additional office facilities

A. Construction progress

6. The Secretary-General is pleased to report that the construction of the additional office facilities was completed on 19 June 2014 and the premises are fully occupied and operational.

7. As previously reported, the contract for construction was signed on 1 April 2010 and work commenced on 1 May 2010, following four weeks of mobilization. The construction was expected to be substantially completed by the end of February 2012. Further to the previous report to the General Assembly (A/68/517), in which the substantial completion date was indicated as 31 December 2013, the construction was further extended to 30 June 2014, following the failure of the contractor to meet the planned substantial completion dates. Substantial completion of the project was achieved on 19 June 2014.

8. The interior fit-out was synchronized with the final phase of the construction, which enabled the first move-in to start on 27 June 2014 with completion scheduled within six weeks.

9. Since the issuance of the previous report of the Secretary-General, the construction has focused on the installation and inspection of architectural and electromechanical components to ensure their compliance with the contractual specifications. This enabled the generation of a list of minor defects (known as a punch list) that included: (a) items that were required to be corrected before commissioning; (b) items that were required before the issue of a certificate of substantial completion; and (c) items that can be corrected during the defects liability period of one year, in which the contractor may return to the site to remedy outstanding defects. This was followed by the final testing and commissioning in June 2014 of the electromechanical installations to ensure that they performed as required by design. All electromechanical equipment, including elevators, is now operational.

10. Energy-efficient systems that form part of the building construction have been implemented. The implementation included installation of occupancy sensors, preliminary piping and storage tanks for a passive solar hot water system and an open office concept which allows for maximum use of natural ventilation, lighting and increased occupancy.

11. The building is now completed and fully operational as a result of the successful testing and commissioning of building systems carried out in April and May 2014. However, prior to its completion, the project faced protracted delays as a result of the following three major factors: (a) delays in the supply and delivery of electrical equipment by the utility company; (b) delays in clearing the final imported materials required; and (c) subcontractors' underperformance in delivering and installing the revolving door and its canopy. These were all rectified as a result of the dedication of the Director of Administration and the project management team, in particular, who made an extra effort to address the challenges related to the lack of effective coordination and management by the main contractor.

12. In order to provide the required support to finalize the remaining ancillary projects, which have no effect on the functionality of the new office building, the project management team will meet with the senior management of the contractors and subcontractors on a weekly basis until these items are also completed.

B. Ancillary projects

13. In its resolutions 56/270 and 62/238, the General Assembly approved the required project components related to access, safety and functionality of the

additional office facilities. The ancillary projects include the installation of generators and a generator house, the construction of internal access roads, parking, civil and landscaping work, site lighting, sanitary work and interior partitions.

14. The generator and transformer houses are now substantially completed and the generators have been installed, tested, commissioned and integrated with the building power system.

15. Revision of existing parking arrangements and parking policy resulted in the alleviation of parking constraints and availability of additional parking space at the premises of the Commission.

16. As previously reported, the Commission explored all options to ensure the completion of these activities within budget. These included prioritizing project activities that are essential for building occupancy, negotiating with selected contractors and carrying out value engineering where feasible.

17. Despite the delays caused by the previously reported design deficiencies and the extremely heavy rainy season, the project team managed to fast-track the key components required for building occupancy. This included pedestrian and vehicular access to the main entrance of the building, which enabled the start of the move-in June 2014.

18. The remaining ancillary project components, notably, the parking deck, greenery and landscaping, internal access roads and some of the walkways, will be undertaken during the dry season starting in October 2014. The normal operations of the new office building will not be disrupted and none of this work is required for the building to operate. The Commission plans to complete the work by mid-2015.

C. Value engineering

19. Value engineering continues to be exercised in all disciplines of the project. Recently, additional costs of $231,200 have been averted by implementing appropriate measures for storm water drainage, in lieu of the proposed design by the consultant, as well as some other mechanical components. This effort has enabled the project to accommodate amendments while remaining within the approved budget. The changes made as a result of the value engineering exercise did not adversely affect the overall building performance, aesthetics or functionality.

20. In addition, design reviews for all ancillary projects have been evaluated by project stakeholders to ensure that all the essential scope details were fully considered and endorsed.

D. Procurement

21. The contract for the construction of the additional office facilities of the Economic Commission for Africa was signed on 1 April 2010 for a total amount of $7,451,700. There were 15 contract amendments to capture several variations. The aggregate contractual amount resulting from the amendments was $9,367,400. The amendments can be divided into four categories: (a) extension of contract periods; (b) discrepancy between the bill of quantities and the drawings; (c) new requirements and design changes which included the value engineering exercise;

and (d) payment arrangements. In relation to value engineering, there were two amendments that resulted in savings totalling $615,000.

22. The delivery for the interior fit-out, which includes the office partitions, was successfully installed in May 2014. With regard to the workstations and furniture, these were synchronized with the move-in dates. The procurement process for data and communication networks infrastructure was finalized and the equipment was installed in June 2014.

23. The procurement process for the required activities of the ancillary projects to allow tenants to move in was successfully completed. Two contracts were awarded for a total of six work components, comprising the car ramp construction, electrical and sanitary installations, fire staircase, generator and transformer houses. The remaining components that are not essential for the move-in are currently in progress.

E. Host country coordination

24. The support of the host country has been critical in the successful execution of the additional office facilities project throughout its implementation, and has been essential in overcoming most logistical difficulties. The Secretary-General wishes to thank the host country for its support in facilitating the smooth delivery of infrastructure components for the project and for the timely completion of the access roads leading to the new entrance of the Economic Commission for Africa compound.

25. The Commission continues to collaborate actively with the host Government officials through the Ministry of Foreign Affairs on all issues relating to the delivery of construction materials, exemption from the value added tax for local purchases and other services required in the interest of the operational efficiency of the additional office facilities.

26. To this end, and in close collaboration with the Ministry of Foreign Affairs, the Office of the Director of Administration had actively engaged various government entities to ensure the timely delivery of critical services to the project. This notwithstanding, the delayed delivery and installation of the two compact transformers to obtain power supply from the local utility provider delayed the completion of the project.

27. The project has also recently faced challenges in obtaining imported construction materials, owing mainly to the introduction of a 3 per cent withholding tax. The Commission continues to meet with officials of the concerned branches of the Government of Ethiopia, including the Foreign Office, Customs Authority and Ministry of Finance and Economic Development, to resolve the matter.

F. Project management

28. The Executive Secretary of the Economic Commission for Africa is the project owner and therefore he, or his designated representative, is responsible for providing oversight to the project. The Compound Advisory Committee, which includes the prospective tenants at the facility, continued to be informed of the progress of the project and expected move-in dates.

29. The project management team of the Economic Commission for Africa, which reports directly to the Director of Administration, has had to assume additional tasks to ensure the successful delivery of the project. The team continually assisted the contractor and its subcontractors in developing and approving lists of material submittals and coordinating with host Government officials to support the importation process, and reviewed, refined and substantively amended project plans and performance progress reports on a weekly basis. To strengthen those efforts, the project management team continued to hold daily and weekly meetings with the contractors and subcontractors. During the meetings and site visits, the contractors and subcontractors were required to improve the output rates and quality of workmanship. The collaborative efforts resulted in a significant improvement in the overall delivery of the project.

30. The independent technical adviser and quantity surveyor, contracted in March 2011 to provide advice and report to the Director of Administration, performed his role in the verification of the contractor's work, invoices and major change orders.

31. The respective administrative sections within the Division of Administration, and the Safety and Security Section at the Economic Commission for Africa, continued to provide additional technical and administrative expertise in their respective areas for both the building construction and its ancillary components.

32. The Office of Central Support Services continues to provide the necessary coordination, support and guidance on project management and technical matters. The Office of Central Support Services and the project management team of the Economic Commission for Africa continue to hold regular conference call meetings and senior management video teleconferences when necessary.

G. Security coordination

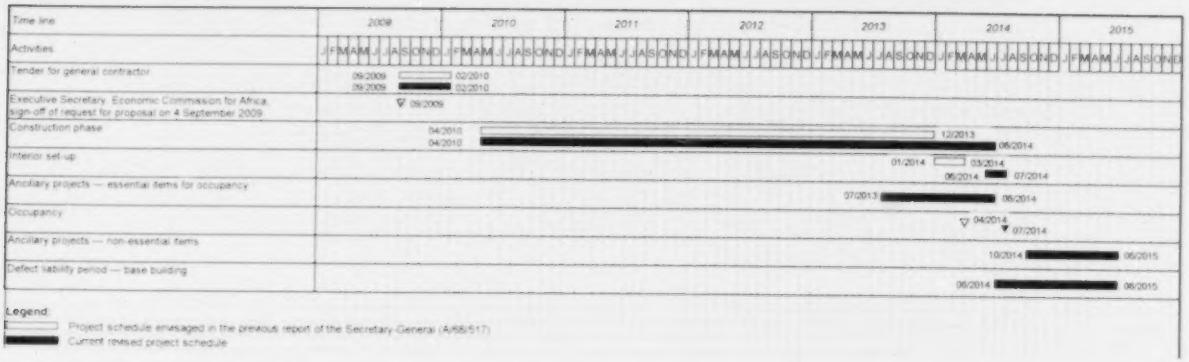
33. The installation of security systems for the new office facilities has been coordinated with the Safety and Security Section of the Economic Commission for Africa as part of the security systems upgrade for the compound under the second phase of the standardized access control project, including blast-resistant film. The security systems consist of access control, alarm monitoring and a closed-circuit television system. Pre-wiring was carried out successfully and the components have been installed, commissioned and made operable.

H. Project schedule

34. The revised project schedule is shown in figure I below, which reflects the substantial completion date of 19 June 2014.

Figure I

Revised project schedule for the additional office facilities at the Economic Commission for Africa


Time line
2009
2010
2011
2012
2013
2014
2015
Activities
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
Tender for general contractor
09/2009
09/2009
02/2010
02/2010
Executive Secretary, Economic Commission for Africa, sign-off of request for proposal on 4 September 2009
09/2009
Construction phase
04/2010
04/2010
12/2013
06/2014
Interior set-up
01/2014
05/2014
06/2014
07/2014
Ancillary projects — essential items for occupancy
07/2013
06/2014
Occupancy
04/2014
07/2014
Ancillary projects — non-essential items
10/2014
06/2015
Defect liability period — base building
06/2014
06/2015
Legend:
Project schedule envisaged in the previous report of the Secretary-General (A/68/517)
Current revised project schedule

I. Cost estimates

35. The overall project budget for the additional office facilities remains unchanged at $15,333,200, as presented in the previous report (A/68/517). As at 31 July 2014, the overall expenditure amounted to $13,262,400 and it is projected that additional expenditures in the amount of $2,070,800 will be incurred between August 2014 and June 2015. A detailed analysis of the project cost estimate is provided in annex I to the present report.

36. The projected expenditures in the amount of $2,070,800 for the remaining period relate to:

(a) Invoices that have yet to be billed by the contractor(s) for completed works for the base building and essential ancillary projects, including car ramp, site electrical works, fire escape, generator and generator house;

(b) 5 per cent of completed work which was due upon substantial completion but has not yet been billed by the contractor;

(c) 5 per cent of the total agreed contract costs being held in retention and due at close-out of the project in June 2015;

(d) Remaining ancillary projects that are currently in progress, including internal access road, parking and landscaping ($992,700);

(e) Balance of the contingency that may be required during the completion of the remaining ancillary projects ($120,200).

III. Post-construction activities

A. Status of project completion

37. The project reached what is commonly referred to in the construction industry as "substantial completion" on 19 June 2014, at which point more than 95 per cent of the building's construction had been completed to the satisfaction of the

Commission, enabling it to take possession of it and commence occupancy. What is referred to as the defects liability period of one year commences on the date of substantial completion, allowing the contractor to finalize minor outstanding defects that may occur during that time period, during which 5 per cent of the total agreed contract cost is held in retention. Furthermore, as stated in paragraph 18 above, the remaining ancillary projects would be completed by the second quarter of 2015.

B. Occupancy plan

38. The move into the building, under the leadership of the Office of the Director of Administration, was coordinated by the Facilities Management Section of the Commission. Occupancy of the additional office facilities was completed by mid-August 2014. The occupancy for the new office facilities building included the move-in of 685 staff members of the five entities which has exceeded the originally planned number of 647 reported by the Secretary-General in his 2012 report (A/67/216). This change is a result of the efficient use of office space, especially the use of an open office furniture concept for the building with the system furniture which has been carried out on all floors. The cost of the interior set-up was supplemented by the tenants of the new office facilities.

C. Lessons learned

39. In accordance with General Assembly resolution 66/247, the Office of Central Support Services assists in the development, collection and promulgation of lessons learned for capital projects undertaken by the Organization. A list of the lessons learned from the additional office facilities at the Economic Commission for Africa project include the following:

(a) The project team, including internal management and external architectural and engineering firms, should be composed of the proper balance of staff with both international and local experience. Design documents should accurately reflect applicable international best practices and standards, in addition to local codes, and should also take into account local construction techniques and practices;

(b) An adequately sized dedicated project management team for large-scale projects should be established early in the project planning stage, and should continue through project close-out;

(c) The vetting process for hiring architectural and engineering design firms, contractors, subcontractors and other external vendors, such as independent technical advisers, must be thorough. The chosen form of construction contract must take into account local practices, available local skills and expertise;

(d) Changes to key personnel of the project team, both internal and external, for large-scale projects should be anticipated in project scheduling, to avoid delays in project execution;

(e) Location constraints and related challenges, particularly related to construction material importation, may extend project duration longer than expected. Material importation lead times, including factoring in host country processes and regulations, must be identified well in advance in order to accurately project and manage the overall implementation schedule;

(f) Payment terms for construction contracts with regard to the importation of materials must be determined prior to contract award;

(g) End users should be identified early in the project planning phase, with their requirements identified and managed throughout the process. A planning committee to serve as a forum for communication with end users is highly desirable;

(h) Continuous engagement and leadership of executive level management of the lead office is essential;

(i) Support of the host country in all aspects of the project, particularly with regard to permitting material importation, is essential.

D. Potential claims management

40. With the building substantially completed and the issuance of the substantial completion certificate to the contractor, the Commission is working in close coordination with the Office of Central Support Services and has sought the advice of the Office of Legal Affairs with regard to the recommended approach to recover costs incurred as a result of the contractor's delays.

41. Discussions regarding the matter are ongoing, with the objective of reaching a conclusion that is in the long-term best interest of the Organization. The outcome will be reported in the context of the final progress report.

42. There are currently no outstanding claims by the contractor against the Organization.

IV. Occupancy and operation of the new office facilities

A. Rental income

43. It is estimated that the gross rental income from the additional office facilities would be $1,506,100 per year from the five entities. However, it should be noted that, given that the United Nations Office to the African Union made a $1 million contribution to the project, this amount would translate into approximately 35 months of pre-paid rent. Furthermore, the rental income would cover all the expenses associated with the provision of maintenance for the new premises, including utilities.

B. Additional requirements for security services

44. Security and safety of United Nations operations, staff and premises are the responsibility of the Department of Safety and Security. These mandated activities require predictable funding and hence are included within the programme budget.

45. The Security and Safety Service at the Economic Commission for Africa is responsible for providing security services to United Nations staff, including staff from resident United Nations agencies, funds and programmes, as well as United Nations property, delegates, contractors, affiliates and visitors within the complex.

46. Currently, the Economic Commission for Africa complex comprises 20 buildings that house the Commission, 16 agencies, funds and programmes with over 700 vehicles accessing the premises daily. There are about 1,600 staff, more than 300 contractors and about 100 affiliates working in the complex, with more than 200 visitors entering the complex on a daily basis. In addition, the United Nations Conference Centre located within the complex, hosts a significant number of participants of meetings and conferences on a daily basis (estimated at 60,000 participants per year), of which many are VIPs, including Heads of State and Government.

47. The additional office facilities comprise a seven-storey building which accommodates more than 600 occupants related to the additional five entities. Owing to the addition of this facility to the complex, the Security and Safety Service is expected to handle an increased workload. Furthermore, an additional 100 contractors, 100 visitors, and 300 private and official vehicles are estimated to enter the compound on a daily basis.

48. As a result of this surge in the number of staff, visitors, delegates and vehicles that enter the compound, it is estimated that the Security and Safety Service will require the establishment of an additional 18 Security Officer posts to carry out its safety and security responsibility throughout its expanded area of operations on a shift basis.

49. Resource requirements for the additional posts described above amount to $386,700 (net of staff assessment) under section 34, Safety and security, in the biennium 2014-2015. The costs associated with the proposals are summarized in table 1 below.

50. Resource requirements include the proposed establishment of 18 Security Officer (Local level) posts and other related general operating requirements for the period from 1 January 2015 to 31 December 2015. Requirements for the period beyond 31 December 2015 will be presented in the context of the proposed programme budget for the biennium 2016-2017.

Table 1
Resource requirements under section 34, Safety and security, Economic Commission for Africa
(Thousands of United States dollars)

Category	*2014-2015 Initial appropriation*	*Additional requirements*	*2014-2015 Revised estimate*	*Recurrent additional requirements 2016-2017*
Post	5 017.5	331.2	5 348.7	631.8
Non-post	2 051.6	55.5	2 107.1	74.0
Total (net of staff assessment)	**7 069.1**	**386.7**	**7 455.8**	**705.8**

Post requirements ($331,200)

51. The existing staffing complement of the Safety and Security Service in the Economic Commission for Africa, as approved under section 34, Safety and security, of the programme budget for the biennium 2014-2015, is composed of 122 established posts (1 P-4, 1 P-3, 1 P-2 and 119 Local level). The provision of

$331,200 would provide for the establishment of 18 additional Security Officer (Local level) posts for the period from 1 January 2015 to 31 December 2015.

52. As described in the paragraphs above, with the completion of the additional office facilities and the resulting surge in the number of staff, contractors, visitors and delegates accessing the compound daily, it has been estimated that 18 additional Security Officers (Local level) posts will be required to complement the existing 119 Security Officer (Local level) posts to conduct fire, compound and floor patrols and to provide screening services at the vehicular and pedestrian entrance gates on a shift basis.

Non-post requirements ($55,500)

53. Non-post resources in the amount of $55,500 would provide for: (a) other staff costs for overtime and night differential ($26,900); and (b) supplies and materials for security officers' uniforms and security supplies ($28,600).

V. Status of renovation of conference facilities

A. Africa Hall Building

1. Background

54. The Economic Commission for Africa, in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the African Union Commission and the Ethiopian Government, launched the first initiative of the historic project for the renovation of Africa Hall to make it a monument to modern African history. The initiative was launched at a ceremony held on 24 October 2008 to mark the fiftieth anniversary of the Commission.

55. Pursuant to the request of the General Assembly in its resolution 65/259, the Commission engaged a local consultancy firm in July 2012 to assess the premises and develop a scope of the work needed for the renovation. Unfortunately, the consultant was not able to complete the assignment, owing to its magnitude and scope. Thereafter, the Commission, with the assistance of the Office of Central Support Services, retendered the design services in 2013 and engaged a qualified international consultant to carry out a detailed condition assessment, establish the required work and provide an overall cost estimate for the renovation of the Africa Hall Building.

2. Project objectives

56. The project proposal aims to address inadequacies related to building functionality and longevity, with a view to achieving the highest standard for conference facilities, while preserving and restoring the historical and cultural values embedded in the building's architecture.

57. The proposed renovation takes into consideration the original design intent of the building and its interior spaces, while ensuring compliance with best practices related to current international building standards and codes. These include: (a) structural requirements and seismic risks; (b) physical, life and fire safety of occupants; (c) accessibility and other provisions for persons with disabilities; (d) energy efficiency and other initiatives related to the efficient use of natural resources; and (e) achievement of healthy indoor air and light quality.

58. The renovation work also aims to encompass refurbishing of fixed and loose furniture, fixtures and finishing of the building, including conservation of the historical artwork in Africa Hall. The restoration and conservation of the artwork will be conducted in conformity with UNESCO and international best practice guidelines.

59. The provision of permanent and temporary, or rotating, exhibits highlighting key events and the role of Africa Hall in the shaping of Pan-African history and the sharing of this experience to persons visiting the building is envisioned.

3. Assessment of the Africa Hall Building

Work undertaken

60. In February 2014, the Commission signed a contract with the international consultant for stage 1: preparation, and stage 2: concept and design development. In consultation with the Commission, internal stakeholders, and the Office of Central Support Services at Headquarters, the consultant conducted a conditions assessment of the building's exterior and interior, and of the surrounding landscape elements. As part of the assessment, the consultant studied and produced a structural integrity report. The consultant also drafted a conservation management strategy which serves to guide the renovation process.

61. The detailed investigations undertaken enabled the production of a concept design and recommendations for the project's programme. The concept design became the basis for the design development package that was produced.

62. At the end of stages 1 and 2, a clearly defined project scope, schedule and related cost estimate was produced which forms the basis of the proposals contained in the present report on the way forward for the consideration of the General Assembly.

Findings

63. The detailed assessment undertaken by the consultant revealed a great deal of deterioration and a multitude of deficiencies that need to be addressed, including:

(a) Extensive structural fatigue in the foundation, slabs, beams, columns and exterior walls, due to the age of the building, and the additional weight of a mezzanine that had been added to the original structure;

(b) The health and life safety, fire protection systems, and the light, sound and air quality of the building do not meet international standards;

(c) The building provides very limited access and amenities for persons with disabilities;

(d) Elements of the building facades and roof have deteriorated and provide little protection against extreme weather, thereby allowing water infiltration to damage the interior spaces and threaten the integrity of the building and its art works. The window glazing has no proper protection against fragmentation in the event of a seismic incident;

(e) All the electromechanical building services and the conferencing support systems and technologies are obsolete and need to be replaced in their entirety;

(f) The original furniture, fixtures and finishing, especially in the Plenary Hall and associated areas, require complete refurbishment. The works of art are deteriorating and require the attention of specialists;

(g) The strengthening of security measures related to delegates' access and use of the building will require further detailed study.

64. The above findings and conclusions highlight essential overall building renovation work that is critically needed, in order for the building to remain safe and functional. Such work would need to be completed as a prerequisite for meeting the project objectives in the Plenary Hall to attain the highest standards for conference facilities, as requested by the General Assembly.

4. Scope of the renovation

65. In view of the findings, the project scope has to address the structural inadequacies, occupants' health and safety issues and shortcomings in terms of access for persons with disabilities to ensure that the renovation meets current international standards. As indicated above, upgrades to the building are to be undertaken in a manner that respects the original design and appearance of spaces, which could enable incorporation of a visitors' centre to exhibit the rich history of the African continent and what is now the African Union.

66. The proposed scope of the renovation project would include all elements of the Africa Hall Building covering approximately 8,300 square metres of floor area and approximately 4,500 square metres of its immediate external landscape. Below is the order of priority envisaged for the proposed renovation.

(a) Structural upgrade, essential life and health safety and building works

67. This work includes upgrading the structure of the entire building in order to strengthen the structural elements degraded by cracks and fatigue, to cater for the current requirements of seismic risk, to remove hazardous materials, if necessary, and prepare the structure for the renovation of the Plenary Hall.

68. The essential life and health safety and building systems, inclusive of fire protection, electromechanics and hydraulics, will be upgraded to ensure that the applicable indoor light and air quality and safety standards are met.

69. Work will include required upgrades for full accessibility for persons with disabilities. This will include elevators, ramps and other items related to accessible paths of travel, as well as accessible amenities, such as toilet facilities.

70. The work will entail upgrading the weatherproofing, including roofs and façades, so that the building can continue to function in the short and long term for the Organization. The exterior façade, including the windows and walls, will be restored using modern materials to better meet energy-efficiency standards.

(b) Plenary Hall and associated work

71. This work is integral to the main objective of the project to ensure that the Plenary Hall is in compliance with the highest standards of conference facilities. All the internal spaces defining the Plenary Hall, the adjacent interpreters' booths, sound control rooms, the committee rooms, offices, corridors, lobbies, press and public viewing gallery on the second floor, and all associated spaces, such as the bridge links connecting to the main entry lobby in the Old Office Building, will be renovated and restored. Refurbishment and restoration of these spaces will ensure that adequate fire protection, life and health safety, security, and accessibility and technologies for persons with disabilities are met.

72. Upgrading of the electrical and mechanical distribution systems will deliver adequate indoor air and light. Technological equipment throughout the conferencing area will be replaced in order to meet current industry standards.

73. Work will be undertaken to upgrade and refurbish the fixed seating, loose furniture, fixtures and finishes with respect paid to the original design, while incorporating modern audiovisual systems and other requirements.

(c) External work and landscape

74. External work includes repair to and upgrading of structural and hydraulic works related to the western fountain and the site drainage, introduction of a dry moat to protect the basement from water infiltration, and installation of new fire hydrants on the western side of Africa Hall. The work in this category also includes landscaping, ensuring safe pedestrian walkways, as well upgrading the external lighting and site installations of building service systems.

(d) Heritage conservation

75. In order to retain the original appearance of the building and its surroundings, restoration will be detailed to closely resemble the original design intent. This may entail removal of intrusive elements that were introduced subsequent to the original construction.

76. Conservation and restoration of the prominent stained glass and other historical artwork will be undertaken. Within the retail area of the Africa Hall Rotunda, spaces will be designated for the incorporation of exhibits.

(e) Visitors' centre: screening building, new entrance and reserved parking

77. In the context of addressing the specific request contained in General Assembly resolution 65/259, it is considered opportune to include a visitors' centre in the Africa Hall Building to highlight its significant role in modern African history, as envisioned at the ceremony marking the fiftieth anniversary of the Economic Commission for Africa on 24 October 2008.

78. Africa Hall would thus serve as a desirable destination for those who wish to learn Africa's history and the genesis of what is today the African Union. This would build upon the already existing conservation initiatives relating to the prominent stained glass and other artwork, include a permanent lecture gallery and exhibition space, bookstore and gift shop, and provide for guided tours for the public, school groups and other institutions through a pre-arranged reservation system.

79. The proposed scope also envisages the creation of a new visitors' entry point, which in turn would require a new visitors' entrance and screening building, as well as a reserved parking area adjacent to the Economic Commission for Africa compound. Necessary consultations on the latter are still to be undertaken with the host Government authorities.

80. With regard to operational activities, a comprehensive business case study for this programme will be developed with the goal of being cost-effective and sustainable. A revenue stream is envisioned as part of the programme's development and would be overseen by the Public Information and Knowledge Management Division within the Economic Commission for Africa. The results of the study will be presented in the next progress report to be submitted to the Assembly at its seventieth session.

5. Implementation plan and schedule

81 The project schedule for executing the structural upgrade, essential life safety and building works, the Plenary Hall and associated work, external work, heritage conservation and visitors centre is estimated to take approximately seven years. As herein reported, stage 1, preparation, and stage 2, concept and design development commenced in February 2014 and was completed in June 2014. A graphic depiction summary of stage 2 is provided in annex III to the present report. Subject to the approval by the Assembly of the proposed project implementation plan, the next three stages will commence in the first quarter of 2015.

82. Stage 3, pre-construction, will include detailed assessments required to complete the detailed design, as well as production information (construction drawings) and tender documentation to procure construction services.

83. Stage 4, construction, will include the physical work of the project to be implemented in phases as outlined below. If approved, detailed information on activities at each of these phases will be developed and reported to the General Assembly.

Phase 1: Swing space and decanting

Phase 2: Structural upgrade and hazardous material removal

Phase 3: General work to address safety issues

Phase 4: Detailed work for modernizing the conference facility

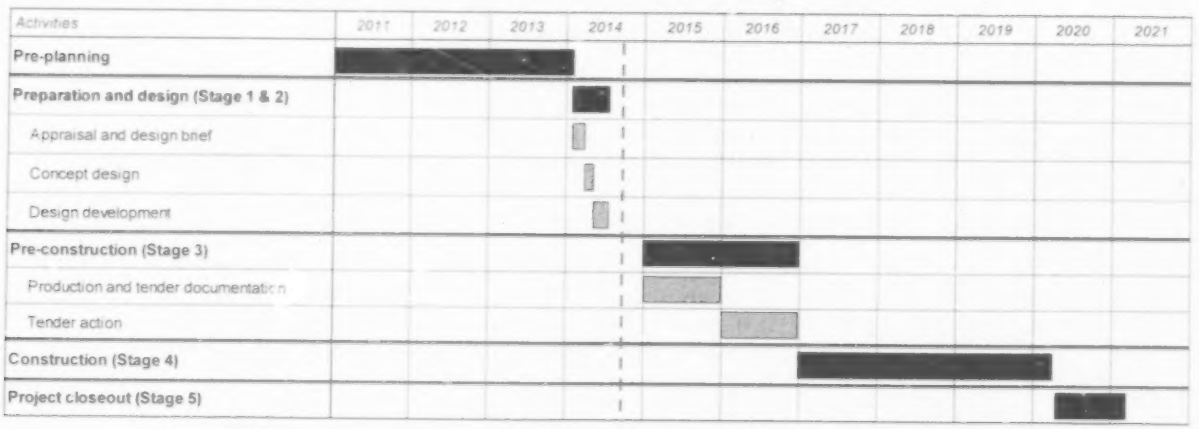
Phase 5: Project close-out

84. Stage 5 will be the warranty and defects liability period.

85. The proposed project schedule is shown below.

Figure II

Proposed project schedule for the renovation of the Africa Hall Building



6. Africa Hall Building renovation project cost plan

86. The estimated project cost for the proposed renovation of Africa Hall, its adjunct visitor areas and associated security enhancements is $56,896,300 over a

period of seven years, from 2015 to 2021. As illustrated in figure II above, this would provide for stages 3 (pre-construction) to 5 (project close-out).

87. The pre-planning and stages 1 and 2 of the project have been completed, using approved resources of $437,000 under the programme budget for the biennium 2012-2013. It should be noted that there are no resources included for the renovation of the Africa Hall Building under section 33 of the programme budget for the biennium 2014-2015.

88. An analysis of the estimated cost for stages 3 to 5 of the proposed renovation project by activity is shown in table 2 below. A more detailed analysis of the estimated cost by year is provided in annex II.

Table 2
Estimated project cost (stages 3 to 5) of the proposed renovation of the Africa Hall Building
(Thousands of United States dollars)

	Estimated total 2015-2021
Construction by renovation subproject	
(a) Essential structural and other building works	23 680.1
(b) Plenary Hall and associated work	20 304.8
(c) External work	721.7
(d) Heritage conservation	2 257.4
	46 964.0
(e) Visitors' centre: screening building, new entrance and reserved parking	5 852.0
Subtotal, construction costs	**52 816.0**
Project supervision and management	
(a) Commission project management team	3 347.5
(b) Travel	132.0
Subtotal, project management costs	**3 479.5**
Physical security during construction	600.8
Total	**56 896.3**

Construction costs ($52,816,000)

89. The proposed project will result in an estimated construction cost of $52,816,000 comprising the estimated construction trade costs[1] ($31,665,000), fees for external consultants ($5,984,000), allowances for price escalation ($6,364,000) and a 20 per cent contingency for construction work ($8,803,000). An analysis of these construction component costs by year can be found in annex II.

[1] Construction trade costs include only the material, labour and installation costs for executing a particular construction job.

Commission project management team ($3,479,500)

90. Estimated resources of $3,347,500 would be required to establish a dedicated project management team for the period from July 2015 to June 2021. The team would comprise a project manager (P-5), a project engineer (P-4) and six project staff at the National Professional Officer and Local level. Further details on the project team are provided below.

91. A further amount of $132,000 would be required during the project to cover the cost of coordination, provision of guidance and technical support and administrative assistance for the project, including travel and the conduct of workshops by the Office of Central Support Services.

Physical security during construction ($600,800)

92. An estimated amount of $600,800 would be required for the deployment of six security officers to control activities at the construction site for the duration of the construction, from 2017 to 2020.

7. Next steps

93. Based on lessons learned from other United Nations major capital projects, the risk of cost and schedule overruns throughout the lifetime of a project can be significantly reduced if an effective project governance structure, a robust project management team and a properly detailed design with the related cost estimates are in place before the commencement of any construction or renovation work.

94. The next steps for the renovation project are to: (a) establish a project governance structure; (b) establish an initial dedicated project management team; and (c) engage a dedicated design consultant to perform stage 3, pre-construction services.

95. It is expected that during stage 3, there will be a need to engage specialized consultancy services to do a hazardous material survey, undertake security validation and propose mitigation measures. Other services, such as an independent cost consultant review, an independent technical advice and possibly audit expertise, may also be needed during the project's lifespan. These are expected to be accommodated within the overall proposed project budget.

96. The outcome of the above will be reported to the General Assembly at its seventieth session as part of the progress report of the Secretary-General.

(a) Project governance structure

97. The Executive Secretary of the Economic Commission for Africa is the project owner and would therefore be accountable for the overall management of the project. The Director of the Division of Administration will have the responsibility of informing the Executive Secretary on all project activities, particularly performance in delivery of key milestones, and would bring to his attention any significant issues that affect the scope, schedule and budget of the project.

98. The Assistant Secretary-General for Central Support Service at Headquarters will continue to provide the necessary administrative coordination, technical guidance and senior leadership on project management matters. In particular, the Overseas Property Management Unit in the Office of Central Support Services will provide ongoing day-to-day technical and administrative support and guidance to

the project management team, and weekly conference calls will continue to be held on all aspects of the project's developments.

99. An Advisory Committee, chaired by the Executive Secretary or a designated representative, will be established to provide strategic guidance to ensure the successful execution of the project.

100. An independent technical adviser, reporting to the Executive Secretary, or a designated representative, will provide impartial advice, inclusive of risk management services, quantity surveying services, and verification of payment certificates, and will comment on other project-related documents and activities.

(b) Dedicated project management team

101. From the lessons learned on other major capital projects, the establishment of a dedicated project team is required early in the project implementation process, and must support, but be independent from, the existing team at the Commission that is responsible for the day-to-day management of the facilities. Similar to arrangements put in place during the recently completed additional office facilities, it is envisaged that the project team, comprising eight positions, would need to be established and would report to the Director of Administration.

102. It is proposed that the dedicated project team include: a Project Manager (P-5); a Project Architect/Engineer (P-4); a Supervisor Architectural/Civil/Structural Engineer (National Professional Officer); a Supervisor — Electrical/Mechanical/Security/Telecom Engineer (National Professional Officer); a Clerk of Works (National Professional Officer); an Administrative Assistant (Local level); a Finance Assistant (Local level); and a Logistics/Shipment Assistant (Local level).

103. The project management team would maintain liaison with stakeholders from the Information Technology, Conference Management Services, Security and Safety Services, Facilities Management, and Supply Chain Management Sections on operational and logistical aspects of the project. The team would provide inputs on the requirements throughout the design and construction phases of the project and facilitate coordination to ensure smooth transitions that minimize disruption of activities during project implementation.

104. The Project Manager (P-5), supported by a dedicated project management team, would lead the project and would be responsible for the overall direction of it to ensure that it is implemented on schedule and within budget. In addition, the Project Manager would be responsible for maintaining adequate communication among stakeholders. The Project Manager would have overall technical and administrative responsibility and accountability, through the Division of Administration, to the Executive Secretary and any advisory committees.

105. The Project Manager would be supported by a Project Engineer (P-4) who would be supported by three National Professional Officers to deal with engineering and architectural coordination matters with the consultant and contractors. The Project Engineer would be responsible for the management and coordination of the project design and construction activities to ensure that the project objectives and goals are met, and ultimately, would be responsible for the delivery of the project design and construction with consideration to the schedule, cost and meeting quality targets.

106. The Project Manager and Project Engineer would be supported by the engineers for major disciplines, the clerk of works, administrative assistant, finance assistant, and logistics and shipment assistant, owing to the complexity of the project and the fact that an estimated 85 per cent of construction materials and equipment will have to be imported from multiple suppliers.

107. It is proposed that the positions related to the Project Manager (P-5) and the Administrative Assistant (Local level) be established as at July 2015, which would require additional resources under general temporary assistance in the amount of $113,200 for the biennium 2014-2015. With regard to the remaining six positions, it is proposed that they be established as at January 2017. In addition, an amount of $12,000 related to travel costs would be required in the biennium 2014-2015.

(c) Dedicated consultancy services

108. After putting in place the governance structure and project management team, the Commission will proceed to engage a technically competent consultant for stages 3, 4 and 5. It will also be necessary to identify and engage specialized services to undertake assessments with regard to hazardous materials and security validations. An independent cost analysis and audits, as noted in paragraph 94, may also be required.

109. It is envisaged that stage 3, Pre-construction, will include detailed assessments required to complete the detailed design, as well as production information (construction drawings) and tender documentation to procure construction services, and will commence in the first quarter of 2015. It is estimated that additional resources under contractual services in the amount of $2,184,000 for the biennium 2014-2015 would be required.

8. Resource requirements for the biennium 2014-2015

110. Resource requirements for the proposals described above for the biennium 2014-2015 amount to $2,309,200. The costs associated with the proposals are summarized in tables 3 and 4 below, by expenditure component and budget section. Resource requirements for 2015 include the proposed establishment of two general temporary assistance positions (1 P-5 and 1 Local level), effective July 2015, travel costs, and design consultancy services related to stage 3, pre-construction.

Table 3

Resource requirements under sections 18, Economic and social development in Africa, and 33, Construction, alteration, improvement and major maintenance, by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*2014-2015 estimate*
Other staff costs	113.2
Travel of staff	12.0
Contractual services	2 184.0
Total	**2 309.2**

Table 4
Resource requirements by programme budget section
(Thousands of United States dollars)

Budget section	*2014-2015 estimate*
18. Economic and social development in Africa	125.2
33. Construction, alteration, improvement and major maintenance	2 184.0
Total	**2 309.2**

Section 18, Economic and social development in Africa

Other staff costs ($113,200)

111. Resource requirement of $113,200 would cover an initial dedicated project management team at the Commission through the establishment of two positions, effective July 2015, comprising the Project Manager (P-5) supported by an Administrative Assistant (Local level) funded under general temporary assistance.

Travel of staff ($12,000)

112. The proposed resources would provide for travel costs during 2015 between the Commission and Headquarters in New York to consult and report on project advancement.

Section 33, Construction, alteration, improvement and major maintenance

Contractual services ($2,184,000)

113. The requirements of $2,184,000 under this category would provide for the engagement of a programme management firm for stage 3, pre-construction.

B. United Nations Conference Centre

114. The roof renovation works for the United Nations Conference Centre is being implemented in two phases, owing to the nature of the work involved. Phase 1 of the project comprised the waterproofing of the lower peripheral part of the roof (5,500 m^2). Phase 1, which has been fully implemented, identified considerable concealed damages which were only discovered after renovation works had started.

115. Provisions for phase 2 in the amount of $1,125,100 have been approved in the programme budget for the biennium 2014-2015. These resources allow for the refurbishment of an additional 7,562 square metres of the United Nations Conference Centre roof, covering the central roof dome and Conference Rooms 1 and 2, and the replacement of the waterproofing material and the sealing of all roof joints. Phase 2 consultancy and design updates based on lessons learned from phase 1 were finalized in July 2014, with implementation scheduled to commence in the last quarter of 2014.

116. Conference Rooms 3, 4, 5 and 6 were returned to full operation in March 2014. The conference facilities renovation component to upgrade the plumbing, drainage system and tiling the kitchen floor is scheduled for completion by the end of August 2014. This project has reduced the risk of internal leakages in the

building, improved the efficiency of kitchen and catering services for the conference delegates and has been complemented by the installation of new carpeting in the Banquet Hall and Delegates' Lounge.

117. With regard to the goal of bringing the interior of the conference facilities in line with the highest standards, the remaining work includes recarpeting of conference rooms, electrical and mechanical and audiovisual upgrades to comply with current industry standards, and creation of access for disabled persons. Additional work and resources will be necessary for part of the remaining interior work, and is being included in the ongoing development of the strategic capital review.

118. The occupancy rate of the United Nations Conference Centre remained at acceptable levels of 82 per cent in 2012, 69 per cent in 2013, and as at June 2014, stood at 60.5 per cent, despite the disruption caused by ongoing renovations, which included closure of certain conference rooms and the kitchen.

VI. Conclusion

119. The Secretary-General is pleased to report that the construction of the additional office facility at the Economic Commission for Africa was substantially completed in June 2014 and all tenants moved in by mid-August 2014.

120. Ancillary project components necessary for the move-in were completed in June 2014. Work contracts for the remaining components have also been awarded and planned for execution in a phased manner based on anticipated weather conditions. They are scheduled to be substantially completed by mid-2015.

121. Pursuant to the request by the General Assembly in its resolution 65/259, an international consultant was engaged to assess Africa Hall's compliance with international best practices for highest conferencing standards. A clear scope, associated cost estimate and implementation schedule have been proposed for consideration by the Assembly.

VII. Actions to be taken by the General Assembly

122. **The General Assembly is requested to:**

(a) **Take note of the progress made since the issuance of the last progress report;**

(b) **Commend the host country on its continued support throughout the implementation of the construction of the additional office facilities;**

(c) **Approve the proposed scope of the Africa Hall Building renovation project, its schedule and its estimated cost plan for the period from 2015 to 2021;**

(d) **Also approve the project budget of $56,896,300 for the Africa Hall Building renovation project and the establishment of a multi-year, special account for the duration of the project;**

(e) Further approve the establishment of 18 security officer (Local level) posts, effective 1 January 2015, under section 34, Safety and security, of the programme budget for the biennium 2014-2015 (sect. IV);

(f) Approve the establishment of two temporary positions (1 P-5 and 1 Local level), effective 1 July 2015, related to the dedicated project management team under section 18, Economic and social development in Africa, of the programme budget for the biennium 2014-2015 (sect. V (A));

(g) Appropriate an additional amount of $2,695,900 under the programme budget for the biennium 2014-2015 comprising an increase under section 18, Economic and social development in Africa ($125,200), section 33, Construction, alteration, improvement and major maintenance ($2,184,000), section 34, Safety and security ($386,700); and section 36, Staff assessment ($59,400), to be offset by a corresponding amount under income section 1, Income from staff assessment, of the programme budget for the biennium 2014-2015;

(h) Charge the amount of $2,695,900 against the contingency fund for the biennium 2014-2015;

(i) Request the Secretary-General to submit a progress report to the General Assembly at the main part of its seventieth session.

Annex I

Project cost for the construction of additional office facilities at the Economic Commission for Africa

(Thousands of United States dollars)

	Expenditure as at 31 December 2013	*Expenditure January-July 2014*	*Projected expenditure August 2014-June 2015*	*Estimated total for 2014-2015*	*Estimated total expenditure*
	(a)	*(b)*	*(c)*	*(d) = (b) + (c)*	*(e) = (a) + (d)*
Approved in resolutions 56/270 and 60/248					
Construction costs[a]	7 709.5	700.0	957.9	1 657.9	9 367.4
Design, consultancy services and project coordination	1 623.3	0.9	–	0.9	1 624.2
Site work[b]	1 165.9	–	399.9	399.9	1 565.8
Workstations and furniture	330.2	1.8	–	1.8	332.0
Contingencies[c]	–	–	120.2	120.2	120.2
Approved in resolution 63/263 (programme budget for the biennium 2008-2009)					
Installation of information technology and telephone equipment	613.1	1.2	–	1.2	614.3
Approved in resolution 62/238					
Safety and security[d]	759.8	–	–	–	759.8
Internal access roads[e]	–	–	246.6	246.6	246.6
Parking and landscaping[e]	–	–	193.7	193.7	193.7
Generators and generator house[e]	356.7	–	152.5	152.5	509.2
Total	**12 558.5**	**703.9**	**2 070.8**	**2 774.7**	**15 333.2**

[a] Construction costs include the main contract value of $7,451,700 as signed on 1 April 2010, amendment 1 for additional resources totalling $1,000,100 from the budgets of the United Nations Office to the African Union and the United Nations-African Union Hybrid Operation in Darfur for the top floor, and amendments 2 to 14 totalling $1,437,600, less savings from value engineering of $522,100. These also include amendment 12, which generated savings of $93,000, due to centralizing the uninterrupted power supply system.

[b] Ancillary projects, phase II.

[c] Budgeted contingency of $925,200 is shown at a residual value of $120,200.

[d] Resources in the amount of $759,800 for security requirements were approved under section 33, Safety and security, in resolution 62/238 as part of the programme budget for the biennium 2008-2009.

[e] Ancillary projects, phase I.

Annex II

Project cost plan for the proposed renovation of the Africa Hall Building at the Economic Commission for Africa, by year

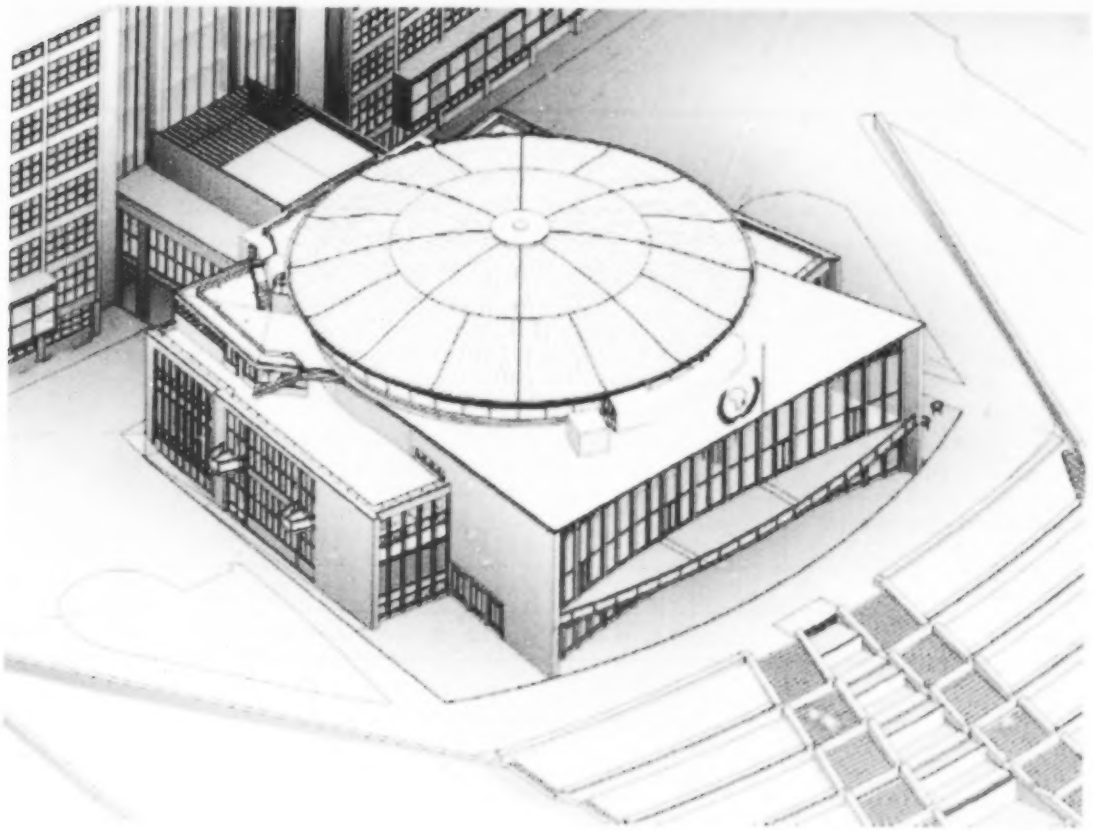
(Thousands of United States dollars)

	2015	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*	*Estimated total*
Construction costs								
Construction trade costs	–	–	7 464.0	7 058.0	13 665.0	3 478.0	–	31 665.0
Escalation pre-commencement (31 months)	–	–	795.0	752.0	1 456.0	372.0	–	3 375.0
Escalation construction (41.5 months)	–	–	–	747.0	1 794.0	448.0	–	2 989.0
Consultant fees	1 820.0	1 820.0	544.0	595.0	645.0	475.0	85.0	5 984.0
Contingency	364.0	364.0	1 761.0	1 830.0	3 512.0	955.0	17.0	8 803.0
Subtotal, construction costs	**2 184.0**	**2 184.0**	**10 564.0**	**10 982.0**	**21 072.0**	**5 728.0**	**102.0**	**52 816.0**
Project supervision and management								
Commission project management team	113.2	233.1	609.0	639.4	672.2	707.6	373.0	3 347.5
Travel	12.0	12.0	24.0	24.0	24.0	24.0	12.0	132.0
Subtotal, project supervision and management	**125.2**	**245.1**	**633.0**	**663.4**	**696.2**	**731.6**	**385.0**	**3 479.5**
Physical security requirements	–	–	150.2	150.2	150.2	150.2	–	600.8
Total	**2 309.2**	**2 429.1**	**11 347.2**	**11 795.6**	**21 918.4**	**6 609.8**	**487.0**	**56 896.3**

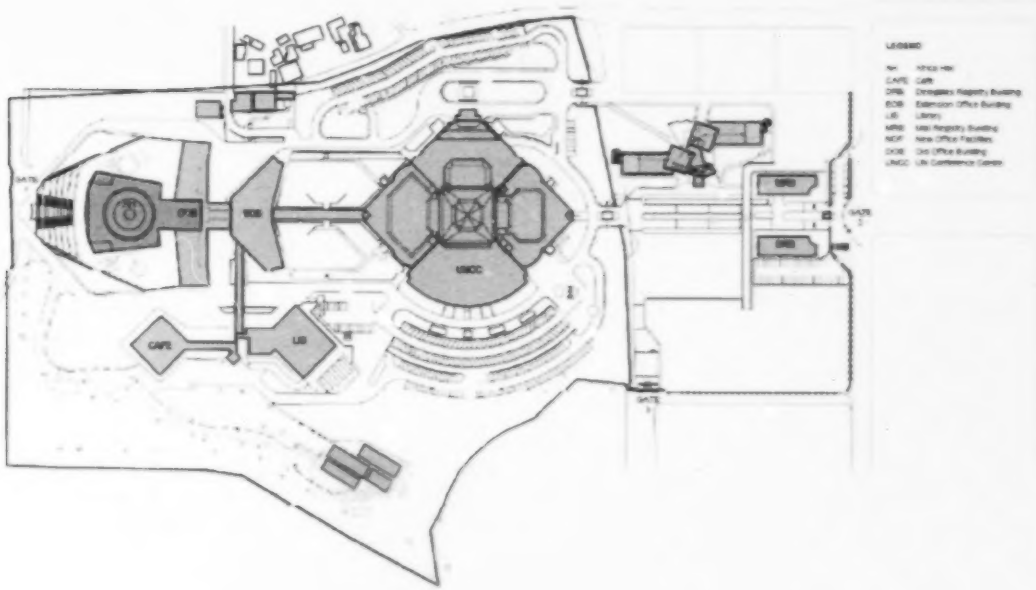
Annex III

Africa Hall design images

A. External isometric of Africa Hall Building



B. Site plan highlighting Africa Hall Building in relation to the overall Economic Commission for Africa compound



C. Interior perspective of plenary hall